

H.R.XXXX**Infrastructure Jobs and Energy Independence Act (Introduced in House - IH)**

112th CONGRESS
1st Session

To greatly enhance America's path toward energy independence and economic and national security, to conserve energy use, to promote innovation, to achieve lower emissions, cleaner air, cleaner water, and cleaner land, rebuild our nation's aging roads, bridges, locks, and dams, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Month X, 2011

Mr. TIM MURPHY of Pennsylvania (for himself, Mr. COSTA, Mr. Shuster, and Mr. WALZ) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Oversight and Government Reform, Energy and Commerce, Ways and Means, Science and Technology, Transportation and Infrastructure, Education and Labor, the Budget, Rules, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To greatly enhance America's path toward energy independence and economic and national security, to conserve energy use, to promote innovation, to achieve lower emissions, cleaner air, cleaner water, and cleaner land, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- (a) Short Title- This Act may be cited as the ` Infrastructure Jobs and Energy Independence Act '.
- (b) Table of Contents- The table of contents for this Act is as follows:
Sec. 1. Short title; table of contents.

TITLE I--OFFSHORE LEASING AND OTHER ENERGY PROVISIONS**Subtitle A--Offshore Leasing**

Sec. 101. Leasing program considered approved.

- Sec. 102. Lease sales.
- Sec. 103. Seaward boundaries of States.
- Sec. 104. Military operations.
- Sec. 105. Coordination with Adjacent States.
- Sec. 106. Gulf of Mexico oil and gas.
- Sec. 107. Sharing of revenues.
- Sec. 108. Inventory of offshore energy resources.
- Sec. 109. Prohibitions on surface occupancy and other appropriate environmental safeguards.

Subtitle B--Expedited Judicial Review

- Sec. 121. Definitions.
- Sec. 122. Exclusive jurisdiction over causes and claims relating to covered oil and natural gas activities.
- Sec. 123. Time for filing petition; standing.
- Sec. 124. Timetable.
- Sec. 125. Limitation on scope of review and relief.
- Sec. 126. Presidential waiver.
- Sec. 127. Legal fees.
- Sec. 128. Exclusion.

Subtitle C--Other Energy Provisions

- Sec. 131. Elimination of restriction on energy alternatives and energy efficiency.
- Sec. 132. New Source Review.
- Sec. 133. Policies regarding buying and building American.
- Sec. 134. Clean coal technology deployment grant and loan program.

TITLE II--MODIFYING THE STRATEGIC PETROLEUM RESERVE AND FUNDING CONSERVATION AND ENERGY RESEARCH AND DEVELOPMENT

- Sec. 201. Findings.
- Sec. 202. Definitions.
- Sec. 203. Objectives.
- Sec. 204. Modification of the Strategic Petroleum Reserve.
- Sec. 205. Energy Independence and Security Fund.

TITLE III--CLEANER ENERGY PRODUCTION AND ENERGY CONSERVATION INCENTIVES

- Sec. 301. Extension of renewable energy credit.
- Sec. 302. Extension of renewable energy credit.
- Sec. 303. Extension of credit for alternative fuel vehicles.
- Sec. 304. Modification of alternative fuel credit
- Sec. 305. Extension of new qualified alternative fuel vehicle credit for bi-fuel

- Sec. 304. Extension of alternative fuel vehicle refueling property credit.
- Sec. 305. Extension of credit for energy efficient appliances.
- Sec. 306. Extension of credit for nonbusiness energy property.
- Sec. 307. Extension of credit for residential energy efficient property.
- Sec. 308. Extension of new energy efficient home credit.
- Sec. 309. Extension of energy efficient commercial buildings deduction.
- Sec. 310. Extension of energy credit.
- Sec. 311. Extension of credit for clean renewable energy bonds.
- Sec. 312. Extension of credits for biodiesel and renewable diesel.
- Sec. 313. Creation of credit for mechanical insulation.

TITLE IV--INCREASE DIVERSIFICATION AND EFFICIENCY OF AMERICA'S TRANSPORTATION AND ELECTRIC SYSTEM

Subtitle A--Diversification of Fuel Source for America's Short-Haul Transportation System

- Sec. 401. Minimum Federal fleet requirement.
- Sec. 402. Use of HOV facilities by light-duty plug-in electric drive vehicles.
- Sec. 403. Recharging infrastructure.
- Sec. 404. Loan guarantees for advanced battery purchases.
- Sec. 405. Study of end-of-useful life options for motor vehicle batteries.
- Sec. 406. Study and demonstration electrification of postal fleet.

Subtitle B--Incentives for Diversification of Transportation

- Sec. 420. Amendment of 1986 Code.
- Sec. 421. Extension of credit for medium and heavy-duty hybrid vehicles.
- Sec. 422. Extension of credit and extension of temporary increase in credit for alternative fuel vehicle refueling property.
- Sec. 423. Extension and expansion of credit for new qualified plug-in electric drive motor vehicles.
- Sec. 424. Extension of credit for certain plug-in electric vehicles.
- Sec. 425. Credit for new qualified plug-in electric drive motor vehicles.
- Sec. 426. Tax credit for most efficient vehicle in class.
- Sec. 427. Study of development of common standards for PHEVs and EVs between the United States, Europe and Asia.
- Sec. 428. Modification of alternative fuel credit.
- Sec. 429. Modification of definition of new qualified alternative fuel motor vehicle

Subtitle C--Low Carbon Diversification of Electric System

- Sec. 431. Innovative low-carbon loan guarantee program.
- Sec. 432 Ensuring Revenues Are Sufficient for Implementation of Title IV

TITLE I--OFFSHORE LEASING AND OTHER ENERGY PROVISIONS

Subtitle A--Offshore Leasing

SEC. 101. LEASING PROGRAM CONSIDERED APPROVED.

- (a) In General- The Draft Proposed Outer Continental Shelf Oil and Gas Leasing Program 2010-2015 issued by the Secretary of the Interior (referred to in this section as the `Secretary') under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is considered to have been approved by the Secretary as a final oil and gas leasing program under that section, and is considered to be in full compliance with and in accordance with all requirements of the Outer Continental Shelf Lands Act.
- (b) Final Environmental Impact Statement- The Secretary is considered to have issued a final environmental impact statement for the program described in subsection (a) in accordance with all requirements under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).
- (c) Correction of dates – Any dates and deadlines proscribed in the 2010-15 plan shall be updated to reflect that amount of time that have passed between release of the plan, and this legislation's date of enactment.

SEC. 102. LEASE SALES.

- (a) Outer Continental Shelf-
- (1) IN GENERAL- Except as provided in paragraph (2), not later than 30 days after the date of enactment of this Act and every 270 days thereafter, the Secretary of the Interior (referred to in this section as the `Secretary') shall conduct a lease sale in each outer Continental Shelf planning area for which the Secretary determines that there is a commercial interest in purchasing Federal oil and gas leases for production on the outer Continental Shelf.
 - (2) SUBSEQUENT DETERMINATIONS AND SALES- If the Secretary determines that there is not a commercial interest in purchasing Federal oil and gas leases for production on the outer Continental Shelf in a planning area under this subsection, not later than 2 years after the date of enactment of the determination and every 2 years thereafter, the Secretary shall--
 - (A) determine whether there is a commercial interest in purchasing Federal oil and gas leases for production on the outer Continental Shelf in the planning area; and
 - (B) if the Secretary determines that there is a commercial interest described in subparagraph (A), conduct a lease sale in the planning area.
- (b) Renewable Energy and Mariculture- The Secretary may conduct commercial lease sales of resources owned by United States--
- (1) to produce renewable energy (as defined in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b))); or
 - (2) to cultivate marine organisms in the natural habitat of the organisms.

SEC. 103. SEAWARD BOUNDARIES OF STATES.

(a) Seaward Boundaries- Section 4 of the Submerged Lands Act (43 U.S.C. 1312) is amended by striking `three geographical miles' each place it appears and inserting `9 nautical miles'.

(b) Conforming Amendments- Section 2 of the Submerged Lands Act (43 U.S.C. 1301) is amended--

(1) in subsection (a)(2), by striking `three geographical miles' and inserting `9 nautical miles'; and

(2) in subsection (b)--

(A) by striking `three geographical miles' and inserting `9 nautical miles'; and

(B) by striking `three marine leagues' and inserting `9 nautical miles'.

(c) Effect of Amendments-

(1) IN GENERAL- Subject to paragraphs (2) through (4), the amendments made by this section shall not effect Federal oil and gas mineral rights and should not effect the States' current authority within existing State boundaries.

(2) EXISTING LEASES- The amendments made by this section shall not affect any Federal oil and gas lease in effect on the date of enactment of this Act.

(3) TAXATION-

(A) IN GENERAL- A State may exercise all of the sovereign powers of taxation of the State within the entire extent of the seaward boundaries of the State (as extended by the amendments made by this section).

(B) LIMITATION- Nothing in this paragraph affects the authority of a State to tax any Federal oil and gas lease in effect on the date of enactment of this Act.

SEC. 104. MILITARY OPERATIONS.

The Secretary shall consult with the Secretary of Defense regarding military operations needs in the Outer Continental Shelf. The Secretary shall work with the Secretary of Defense to resolve any conflicts that might arise between such operations and leasing under this section. If the Secretaries are unable to resolve all such conflicts, any unresolved issues shall be referred by the Secretaries to the President in a timely fashion for immediate resolution.

SEC. 105. COORDINATION WITH ADJACENT STATES.

Section 19 of the Outer Continental Shelf Lands Act (43 U.S.C. 1345) is amended--

(1) in subsection (a) in the first sentence by inserting `, for any tract located within the Adjacent State's Adjacent Zone,' after `government'; and

(2) by adding the following:

(f)(1) Prior to issuing a permit or approval for the construction of a pipeline to transport crude oil, natural gas or associated liquids production withdrawn from oil and gas leases on the outer Continental Shelf, a Federal agency must seek the concurrence of the Adjacent State if the pipeline is to transit the Adjacent State's Adjacent Zone between the outer Continental Shelf and landfall. No State may prohibit construction of such a pipeline within its Adjacent Zone or its State waters. However, an Adjacent State may

require routing of such a pipeline to one of two alternate landfall locations in the Adjacent State, designated by the Adjacent State, located within 60 miles on either side of a proposed landfall location.

“(2) In this subsection:

“(A) The term ‘Adjacent State’ means, with respect to any program, plan, lease sale, leased tract or other activity, proposed, conducted, or approved pursuant to the provisions of this Act, any State the laws of which are declared, pursuant to section 4(a)(2), to be the law of the United States for the portion of the outer Continental Shelf on which such program, plan, lease sale, leased tract or activity appertains or is, or is proposed to be, conducted. For purposes of this subparagraph, the term ‘State’ includes the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, Guam, and the other Territories of the United States.

“(B) The term ‘Adjacent Zone’ means, with respect to any program, plan, lease sale, leased tract, or other activity, proposed, conducted, or approved pursuant to the provisions of this Act, the portion of the outer Continental Shelf for which the laws of a particular Adjacent State are declared, pursuant to section 4(a)(2), to be the law of the United States.’.

SEC. 106. GULF OF MEXICO OIL AND GAS.

- (a) Section 104 of division C of the Tax Relief and Health Care Act of 2006 (Public Law 109-432; 120 Stat. 3003) is repealed.
- (b) Pursuant to Section 101 and 102 of this Act, the Secretary of the Interior shall draft and finalize a leasing plan for the Eastern Gulf of Mexico within 180 days of enactment for all areas where there exists commercial interest in purchasing Federal oil and gas leases for production.

SEC. 107. SHARING OF REVENUES.

(a) In General- Section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)) is amended--

- (1) in paragraph (2) by striking ‘Notwithstanding’ and inserting ‘Except as provided in paragraph (6), and notwithstanding’;
- (2) by redesignating paragraphs (6) and (7) as paragraphs (8) and (9); and
- (3) by inserting after paragraph (5) the following:

“(6) BONUS BIDS AND ROYALTIES UNDER QUALIFIED LEASES-

“(A) NEW LEASES- Of amounts received by the United States as bonus bids, royalties, rentals, and other sums collected under any qualified new lease on submerged lands made available for leasing under this Act by the enactment of the Infrastructure Jobs and Energy Independence Act)--

- “(i) 30 percent shall be paid to the States that are producing States with respect to those submerged lands that are located within the seaward boundaries of a State established under section 4(a)(2)(A);

- `(ii) 10 percent shall be deposited in the general fund of the Treasury;
- `(iii) 15 percent shall be deposited in the Renewable Energy and Energy Efficiency Reserve established by paragraph (7);
- (iv) 20 percent shall be deposited in the Infrastructure Renewal Reserve established by paragraph (7);
- `(iv) 3 percent shall be deposited into the Clean Water Reserve established by paragraph (7);
- `(v) 4 percent shall be deposited in the Environment Restoration Reserve established by paragraph (7);
- `(vi) 3 percent shall be deposited in the Conservation Reserve established by paragraph (7);
- `(vii) 8 percent shall be deposited in the Clean Coal Technology Deployment and Carbon Capture and Sequestration Reserve established by paragraph (7);
- `(viii) 5 percent shall be deposited in the Carbon Free Technology and Nuclear Energy Reserve established by paragraph (7); and
- `(ix) 2 percent shall be available to the Secretary of Health and Human Services for carrying out the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621, et seq.).

`(B) LEASED TRACT THAT LIES PARTIALLY WITHIN THE SEAWARD BOUNDARIES OF A STATE- In the case of a leased tract that lies partially within the seaward boundaries of a State, the amounts of bonus bids and royalties from such tract that are subject to subparagraph (A)(ii) with respect to such State shall be a percentage of the total amounts of bonus bids and royalties from such tract that is equivalent to the total percentage of surface acreage of the tract that lies within such seaward boundaries.

`(C) USE OF PAYMENTS TO STATES- Amounts paid to a State under subparagraph (A)(ii) shall be used by the State for one or more of the following:

- `(i) Education.
- `(i) Transportation.
- `(ii) Coastal restoration, environmental restoration, and beach replenishment.
- `(iii) Energy infrastructure.
- `(iv) Renewable energy development.
- `(v) Energy efficiency and conservation.
- `(vii) Any other purpose determined by State law.

`(D) DEFINITIONS- In this paragraph:

- `(i) ADJACENT STATE- The term 'Adjacent State' means, with respect to any program, plan, lease sale, leased tract or other activity, proposed, conducted, or approved pursuant to the provisions of this Act, any State the laws of which are declared, pursuant to section 4(a)(2), to be the law of the United States for the portion of the outer Continental Shelf on which such program,

plan, lease sale, leased tract, or activity appertains or is, or is proposed to be, conducted.

`(ii) ADJACENT ZONE- The term `adjacent zone' means, with respect to any program, plan, lease sale, leased tract, or other activity, proposed, conducted, or approved pursuant to the provisions of this Act, the portion of the outer Continental Shelf for which the laws of a particular adjacent State are declared, pursuant to section 4(a)(2), to be the law of the United States.

`(iii) PRODUCING STATE- The term `producing State' means an Adjacent State having an adjacent zone containing leased tracts from which are derived bonus bids and royalties under a lease under this Act.

`(iv) STATE- The term `State' includes Puerto Rico and the other territories of the United States.

`(v) QUALIFIED LEASE- The term `qualified lease' means a natural gas or oil lease made available under this Act granted after the date of the enactment of the Infrastructure Jobs and Energy Independence Act, for an area that is available for leasing as a result of enactment of section 101 of that Act.

`(E) APPLICATION- This paragraph shall apply to bonus bids and royalties received by the United States under qualified leases after implementation of Sections 105 and 106 of this legislation.

(F) EXISTING REVENUES – All revenues including but not limited to bonus bids, royalties, rentals, and other sums, collected from leases made prior to enactment, shall not be affected by the provisions this Act.

`(7) ESTABLISHMENT OF RESERVE ACCOUNTS-

`(A) IN GENERAL- For budgetary purposes, there is established as a separate account to receive deposits under paragraph (6)(A)--

`(i) the Renewable Energy and Energy Efficiency Reserve which shall be applied--

`(I) first, to offset the alternative energy and conservation tax incentives extended by title III of the Infrastructure Jobs and Energy Independence Act; and

`(II) to extent not applied under subclause (I), to offset the cost of legislation enacted after the date of the enactment of Infrastructure Jobs and Energy Independence Act to accelerate the use of cleaner domestic energy resources and alternative fuels; to promote the utilization of energy-efficient products and practices; to promote the development and deployment of smart transportation systems, energy efficient vehicles, and mass transportation systems that preserve the environment and increase energy efficiency of transportation; and to increase research, development, and deployment of clean renewable energy and efficiency technologies and job training programs for those purposes;

(ii) the Infrastructure Renewal Reserve to offset the costs of—

- (I) Federal-aid highway and highway safety construction programs carried out by the Secretary of Transportation;
- (II) public transportation programs carried out by the Secretary of Transportation;
- (III) water resources development construction projects carried out by the Secretary of the Army (acting through the Chief of Engineers);
- (IV) Federal support for freight rail and passenger rail construction and repair projects; and
- (V) legislation enacted after the date of the enactment of the Infrastructure Jobs and Energy Independence Act for purposes of investment in transportation infrastructure.

(VI) Distribution of funds for highway programs — To the extent practicable, amounts made available from the Infrastructure Renewal Reserve for a Federal-aid highway or highway safety construction program shall be distributed using the apportionment formula that applies to that program.

`(ii) the Clean Water Reserve, to

- (I) first, offset the cost of construction programs under the Clean Water Act or the 1996 Amendments to the Safe Drinking Water Act that provide assistance, such as grants, matching grants, and no- and low-interest loans, to State, county, and local governments to rebuild and modernize clean water and sewage infrastructure;

`(iii) the Environment Restoration Reserve, to offset the cost of legislation enacted after the date of the enactment of the Infrastructure Jobs and Energy Independence Act to conduct restoration activities to improve the overall health of the ecosystems primarily or entirely within wildlife refuges, national parks, lakes, bays, rivers, and streams, including the Great Lakes, the Chesapeake and Delaware Bays, the San Francisco Bay/Sacramento San Joaquin Bay Delta, the Florida Everglades, New York Harbor, the Colorado River Basin, the Mississippi River basin and tributaries, and Intracoastal Waterways and inlets that serve them;

`(iv) the Conservation Reserve, to offset the cost of legislation enacted after the date of the enactment of the Infrastructure Jobs and Energy Independence Act for conservation research, development, and deployment programs to increase commercial energy efficiency, such as weatherization, conservation and

building technology tax credits for energy efficiency in the commercial and industrial sectors;

`(v) the Clean Coal Technology Deployment and Carbon Capture and Sequestration Reserve, to

(I) first offset the cost of programs established under Section 133 of this Act

(II) Two, offset the cost of programs in section 1703 of the Energy Policy Act of 2005 related to loan guarantees for construction projects associated with carbon capture and storage, giving priority to the construction and modernization of plants that implement the most advanced pollution controls to prevent the release of carbon, particulate matter, and other pollutants;

(II) third, to offset the cost of, research at the Department of Energy Office of Fossil Energy that promotes the production of liquid transportation fuels, clean-coal electricity, synthetic natural gas, and chemical feedstock; and

`(vi) the Carbon Free Technology and Nuclear Energy Reserve, to

(I) first offset the cost of programs in Title IV of this Act.

(II) Two, offset the cost of legislation enacted after the date of the enactment of the Rebuilding America's Infrastructure Through Energy Independence Act to promote the deployment of carbon free technologies, including through loan guarantees for commercial nuclear power plants, the disposition and recycling or reprocessing of spent fuel from nuclear power plants, and the financing of long-term safe storage of spent fuel.

`(B) PROCEDURE FOR ADJUSTMENTS-

`(i) BUDGET COMMITTEE CHAIRMAN- After the reporting of a bill or joint resolution, or the offering of an amendment thereto or the submission of a conference report thereon, providing funding for the purposes set forth in clause (i), (ii), (iii), or (iv) of subparagraph (A) in excess of the amount of the deposits under paragraph (6)(A) for those purposes for fiscal year 2013, the chairman of the Committee on the Budget of the applicable House of Congress shall make the adjustments set forth in clause (ii) for the amount of new budget authority and outlays in that measure and the outlays flowing from that budget authority.

`(ii) MATTERS TO BE ADJUSTED- The adjustments referred to in clause (i) are to be made to--

`(I) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget;

`(II) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) of the Congressional Budget Act of 1974; and

`(III) the budget aggregates contained in the appropriate concurrent resolution on the budget as required by section 301(a) of the Congressional Budget Act of 1974.

`(iii) AMOUNTS OF ADJUSTMENTS- The adjustments referred to in clauses (i) and (ii) shall not exceed the receipts estimated by the Congressional Budget Office that are attributable to this Act for the fiscal year in which the adjustments are made.

`(C) EXPENDITURES ONLY BY SECRETARY OF THE INTERIOR IN CONSULTATION- Legislation shall not be treated as legislation referred to in subparagraph (A) unless any expenditure under such legislation for a purpose referred to in that subparagraph may be made only after consultation with the Administrator of the Environmental Protection Agency, the Administrator of the National Oceanic and Atmospheric Administration, the Secretary of the Army acting through the Corps of Engineers, and, as appropriate, the Secretary of State.

`(8) MAINTENANCE OF EFFORT BY STATES- The Secretary of the Interior, the Secretary of Health and Human Services, the Secretary of Energy, and any other Federal official with authority to implement legislation referred to in paragraph (6)(A) shall ensure that financial assistance provided to a State under that legislation for any purpose with amounts made available under this subsection or in any legislation with respect to which paragraph (7) applies supplement, and do not replace, the amounts expended by the State for that purpose before the date of the enactment of the Infrastructure Jobs and Energy Independence Act.'

(b) Establishment of State Seaward Boundaries- Section 4(a)(2)(A) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the first sentence by striking ` , and the President' and all that follows through the end of the sentence and inserting the following: ` . Such extended lines are deemed to be as indicated on the maps for each Outer Continental Shelf region entitled `Alaska OCS Region State Adjacent Zone and OCS Planning Areas', `Pacific OCS Region State Adjacent Zones and OCS Planning Areas', `Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas', and `Atlantic OCS Region State Adjacent Zones and OCS Planning Areas', all of which are dated September 2005 and on file in the Office of the Director, Minerals Management Service. The preceding sentence shall not apply with respect to the treatment under section 105 of the Gulf of Mexico Energy Security Act of 2006 (title I of division C of Public Law 109-432) of qualified outer Continental Shelf revenues deposited and disbursed under subsection (a)(2) of that section.'

SEC. 108. INVENTORY OF OFFSHORE ENERGY RESOURCES.

(a) In General- The Secretary of the Interior (in this section referred to as the 'Secretary') shall promptly prepare an inventory of offshore energy resources of the United States, including through conduct of geological and geophysical explorations by private industry in all of the United States outer Continental Shelf areas of the Atlantic Ocean and the Pacific Ocean under part 251 of title 30, Code of Federal Regulations (or successor regulations).

(b) Environmental Studies- Not later than 180 days after the date of enactment of this Act, the Secretary shall complete any environmental studies necessary to gather information essential to an accurate inventory, including geological and geophysical explorations under part 251 of title 30, Code of Federal Regulations (or successor regulations).

(c) Effect on Oil and Gas Leasing- No inventory that is conducted under this section or any other Federal law (including regulations) shall restrict, limit, delay, or otherwise adversely affect--

(1) the development of any Outer Continental Shelf leasing program under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344); or

(2) any leasing, exploration, development, or production of any Federal offshore oil and gas leases.

(d) Funding-

(1) IN GENERAL- The Secretary of the Treasury shall make a 1-time transfer to the Secretary, without further appropriation and from royalties collected by the United States in conjunction with the production of oil and gas, of such sums as are necessary for the Secretary to carry out this section.

(2) LIMITATION- The amount transferred under paragraph shall not exceed \$50,000,000.

SEC. 109. PROHIBITIONS ON SURFACE OCCUPANCY AND OTHER APPROPRIATE ENVIRONMENTAL SAFEGUARDS.

(a) Regulations-

(1) IN GENERAL- The Secretary of the Interior shall promulgate regulations that establish appropriate environmental safeguards for the exploration and production of oil and natural gas on the outer Continental Shelf.

(A) All operations, including any permit issued pursuant to an application for a permit to drill, including an application for a permit to sidetrack, that has been approved by the Minerals Management Service or Bureau of Ocean Energy Management, Regulation and Enforcement, for purposes of Outer Continental Shelf energy exploration or development and production, shall be carried out in accordance with the safety protocols contained in part 250 of title 30, Code of Federal Regulations.

(2) REQUIREMENTS- The regulations shall include provisions ensuring that--

(A) no surface facility shall be installed for the purpose of production of oil or gas resources in any area that is within 10 miles from the shore of any coastal State, in any area of the outer Continental Shelf that has not previously been made available for oil and gas leasing;

(B) only temporary surface facilities are installed for areas that are located--

- (i) beyond 10 miles from the shore from the shore of any coastal State, in any area of the Outer Continental Shelf that has not previously been made available for oil and gas leasing; and
- (ii) not more than 20 miles from the shore;

(C) the impact of offshore production facilities on coastal vistas is otherwise mitigated; and

(D) onshore facilities that are able to draw upon the resources of the outer Continental Shelf within 10 miles of shore are allowed.

(b) Conforming Amendment- Section 105 of the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006 (Public Law 109-54; 119 Stat. 521) (as amended by section 103(d) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109-432)) is amended by inserting `and any other area that the Secretary of the Interior may offer for leasing, preleasing, or any related activity under section 104 of that Act' after `2006)'.

Subtitle B--Expedited Judicial Review

SEC. 121. DEFINITIONS.

In this subtitle:

(1) **AUTHORIZING LEASING STATUTE-** The term `authorizing leasing statute' means the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.), and any other law of the United States directing or authorizing the leasing of Federal lands for oil and gas production or transmission.

(2) **COVERED OIL AND NATURAL GAS ACTIVITY-** The term `covered oil and natural gas activity' means--

(A) the leasing of any lands pursuant to an authorizing leasing statute for the exploration, development, production, processing, or transmission of oil, natural gas, or associated hydrocarbons, including actions or decisions relating to the selection of which lands may or shall be made available for such leasing; and

(B) any activity taken or proposed to be taken pursuant or in relation to such leases, including their suspension, and any environmental analyses relating to such activity.

SEC. 122. EXCLUSIVE JURISDICTION OVER CAUSES AND CLAIMS RELATING TO COVERED OIL AND NATURAL GAS ACTIVITIES.

Notwithstanding any other provision of law, any Federal action approving any covered oil and natural gas activity shall be subject to judicial review only--

- (1) in the United States Court of Appeals for the District of Columbia Circuit; and

(2) after the person filing a petition seeking such judicial review has exhausted all available administrative remedies with respect to such Federal action.

SEC. 123. TIME FOR FILING PETITION; STANDING.

(a) In General- All petitions referred to in section 122 must be filed within 30 days after the latter of the challenged Federal action or the exhaustion of all available administrative remedies with respect to such Federal action. A claim or challenge shall be barred unless it is filed within the time specified.

(b) Standing- No person whose legal rights will not be directly and adversely affected by the challenged action, and who is not within the zone of interest protected by each Act under which the challenge is brought, shall have standing to file any petition referred to in section 122.

SEC. 124. TIMETABLE.

The United States Court of Appeals for the District of Columbia Circuit shall complete all judicial review, including rendering a judgment, before the end of the 120-day period beginning on the date on which a petition referred to in section 122 is filed, unless all parties to such proceeding agree to an extension of such period.

SEC. 125. LIMITATION ON SCOPE OF REVIEW AND RELIEF.

(a) Administrative Findings and Conclusions- In any judicial review referred to in section 122, any administrative findings and conclusions relating to the challenged Federal action shall be presumed to be correct unless shown otherwise by clear and convincing evidence contained in the administrative record.

(b) Limitation on Prospective Relief- In any judicial review referred to in section 122, the Court shall not grant or approve any prospective relief unless the court finds that such relief is narrowly drawn, extends no further than necessary to correct the violation of a Federal law requirement, and is the least intrusive means necessary to correct the violation concerned.

SEC. 126. PRESIDENTIAL WAIVER.

Notwithstanding any other provision of law, the President may waive any legal requirement relating to the approval of any covered oil and natural gas activity if the President determines in the President's sole discretion that such activity is important to the national interest and outweighs such legal requirement.

SEC. 127. LEGAL FEES.

Any person filing a petition referred to in section 122 who is not a prevailing party shall pay to the prevailing parties (including intervening parties), other than the United States, fees and other expenses incurred by that party in connection with the judicial review,

unless the Court finds that the position of the person was substantially justified or that special circumstances make an award unjust.

SEC. 128. EXCLUSION.

Section 122 shall not apply to disputes between the parties to a lease issued pursuant to an authorizing leasing statute regarding the obligations of such lease or the alleged breach thereof.

Subtitle C--Other Energy Provisions

SEC. 131. ELIMINATION OF RESTRICTION ON ENERGY ALTERNATIVES AND ENERGY EFFICIENCY.

- (a) Elimination of Other Restrictions on Use of Energy Alternatives-
- (1) RENEWABLE BIOMASS- Section 211(o)(1)(I) of the Clean Air Act (42 U.S.C. 7545(o)(1)(I)) is amended effective date of enactment of the Infrastructure Jobs and Energy Independence Act --
 - (A) in clause (ii), by striking `on non-federal land'; and
 - (B) in clause (iv), by striking `that are from non-federal forestlands, including forestlands' and inserting `from forestlands, including those on public lands and those'.
 - (2) ALTERNATIVE FUELS- Section 526 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17142) is repealed.
 - (3) LIMITATION ON NUMBER OF NEW QUALIFIED HYBRID ADVANCED LEAN-BURN TECHNOLOGY VEHICLES- Section 30B of the Internal Revenue Code of 1986 is amended by striking subsection (f).
- (b) New Source Review Under the Clean Air Act- Part A of title I of the Clean Air Act (42 U.S.C. 7401 and following) is amended by adding the following new section at the end thereof:

SEC. 132 NEW SOURCE REVIEW.

`In promulgating regulations respecting new source review under this Act, the Administrator shall include in such regulations provisions providing that routine maintenance and repair shall not constitute a modification of an existing source requiring compliance with new source review requirements. Such provisions shall provide that equipment replacement shall be considered routine maintenance and repair if it meets each of the following requirements:

- `(1) It does not increase overall actual emissions of any air pollutant by more than 5 percent.
- `(2) The percentage amount of an air pollutant emitted relative to the megawatts of electricity generated results in a positive gain in plant efficiency.

Notwithstanding any other provision of this Act, no State may include in any State implementation plan any provisions regarding new source review that are more stringent than those contained in the regulations of the Administrator under this section.'

SEC. 133. POLICIES REGARDING BUYING AND BUILDING AMERICAN.

(a) Intent of Congress- It is the intent of the Congress that this Act, among other things, result in a healthy and growing American industrial, manufacturing, transportation, and service sector employing the vast talents of America's workforce to assist in the development of energy from domestic sources. Moreover, the Congress intends to monitor the deployment of personnel and material onshore and offshore to encourage the development of American technology and manufacturing to enable United States workers to benefit from this Act by good jobs and careers, as well as the establishment of important industrial facilities to support expanded access to American resources.

(b) Safeguard for Extraordinary Ability- Section 30(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1356(a)) is amended in the matter preceding paragraph (1) by striking `regulations which' and inserting `regulations that shall be supplemental and complimentary with and under no circumstances a substitution for the provisions of the Constitution and laws of the United States extended to the subsoil and seabed of the outer Continental Shelf pursuant to section 4 of this Act, except insofar as such laws would otherwise apply to individuals who have extraordinary ability in the sciences, arts, education, or business, which has been demonstrated by sustained national or international acclaim, and that'.

(b) All construction, repair or alteration of public buildings and public works of the Government and buildings or works financed or otherwise assisted in whole or in part under this Act by a loan, loan guarantee, grant, annual contribution, credit enhancement, or any other form of federal assistance authorized under this Act shall be performed in accordance with the standards applicable to comparable activity under any other provision of law, without regard to the form or type of federal assistance provided thereunder.

SEC. 134. CLEAN COAL TECHNOLOGY DEPLOYMENT GRANT AND LOAN PROGRAM.

(a) Purpose- The purpose of this section is to encourage innovative, state of the art energy plants to reduce and eliminate emissions of CO₂ and other greenhouse gases.

(b) DOE Program- The Secretary Energy shall implement a competitive grant and loan program to award funding to qualified projects for a 3-year period for the construction or modernization of coal fired generation units to enable the use at such units of the most viable and cost effective technology to reduce emissions of carbon dioxide and other greenhouse gases. In carrying out such program, the Secretary shall give priority to the funding of projects that will emit the least amount of carbon dioxide and other greenhouse gases.

(c) Qualified Projects- (1) Projects for the construction or modernization of units with carbon capture and sequestration or storage systems shall be qualified for assistance under this section in the form of grants of up to \$2,000,000,000 per unit up to a maximum grant of \$2,000,000 per Megawatt (MW) of capacity. Such projects may be qualified for loan guarantees under this section in the amount of up to \$3,000,000,000 per unit up to a maximum of \$3,000,000 per Megawatt of capacity.

(2) The maximum amount of funding assistance under this section for construction and modernization costs shall be as follows:

(A) A grant of 75 percent of such costs and a loan guarantee of 25 percent of such costs for the first year in which assistance is provided.

(B) A grant of 50 percent of such costs and a loan guarantee of 50 percent of such costs for the second year in which assistance is provided.

(C) A grant of 25 percent of such costs and a loan guarantee of 75 percent of such costs for the first year in which assistance is provided.

(d) Minimum Size- No project shall be qualified for assistance under this section for any unit that is less than 250 MW of capacity.

TITLE II--MODIFYING THE STRATEGIC PETROLEUM RESERVE AND FUNDING CONSERVATION AND ENERGY RESEARCH AND DEVELOPMENT

SEC. 201. FINDINGS.

Congress finds the following:

(1) The Strategic Petroleum Reserve (SPR) was created by Congress in 1975, to protect the Nation from any future oil supply disruptions. When the program was established, United States refiners were capable of handling light and medium crude and the make up of the SPR matched this capacity. This is not the case today.

(2) A GAO analysis found that nearly half of the refineries considered vulnerable to supply disruptions are not compatible with the types of oil currently stored in the SPR and would be unable to maintain normal refining capacity if forced to rely on SPR oil as currently constituted, thereby reducing the effectiveness of the SPR in the event of a supply disruption. GAO concluded that the SPR should be comprised of at least 10 percent heavy crude.

(3) This Act implements the GAO recommendation and dedicates funds received from the transactions to existing energy conservation, research, and assistance programs.

SEC. 202. DEFINITIONS.

In this title--

(1) the term 'light grade petroleum' means crude oil with an API gravity of 35 degrees or higher;

(2) the term 'heavy grade petroleum' means crude oil with an API gravity of 26 degrees or lower; and

(3) the term 'Secretary' means the Secretary of Energy.

SEC. 203. OBJECTIVES.

The objectives of this title are as follows:

(1) To modernize the composition of the Strategic Petroleum Reserve to reflect the current processing capabilities of refineries in the United States.

- (2) To provide increased funding to accelerate conservation, energy research and development, and assistance through existing programs.

SEC. 204. MODIFICATION OF THE STRATEGIC PETROLEUM RESERVE.

Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), the Secretary shall publish a plan not later than 30 days after the date of enactment of this Act to--

- (1) exchange as soon as possible light grade petroleum from the Strategic Petroleum Reserve, in an amount equal to 10 percent of the total number of barrels of crude oil in the Reserve as of the date of enactment of this Act, for an equivalent volume of heavy grade petroleum plus any additional cash bonus bids received that reflect the difference in the market value between light grade petroleum and heavy grade petroleum and the timing of deliveries of the heavy grade petroleum;
- (2) from the gross proceeds of the cash bonus bids, deposit the amount necessary to pay for the direct administrative and operational costs of the exchange into the SPR Petroleum Account established under section 167 of the Energy Policy and Conservation Act (42 U.S.C. 6247); and
- (3) deposit 90 percent of the remaining net proceeds from the exchange into the account established under section 205(a).

SEC. 205. ENERGY INDEPENDENCE AND SECURITY FUND.

- (a) Establishment- There is hereby established in the Treasury of the United States the 'Energy Independence and Security Fund' (in this section referred to as the 'Fund').
- (b) Administration- The Secretary shall be responsible for administering the Fund for the purpose of carrying out this section.
- (c) Deposits- The Secretary shall transfer the balance of funds in the SPR Petroleum Account on the date of enactment of this Act in excess of \$10,000,000 into the Fund.
- (d) Distribution of Funds- The Secretary shall make amounts from the Fund available for obligation, without further appropriation and without fiscal year limitation, for the following purposes:
 - (1) ADVANCED RESEARCH PROJECTS AGENCY--ENERGY- The Secretary may transfer amounts to the account 'Energy Transformation Acceleration Fund', established under section 5012(m) of the America COMPETES Act (42 U.S.C. 16538(m)), including amounts--
 - (A) for university-based research projects; and
 - (B) for program direction expenses.
 - (2) WIND ENERGY RESEARCH AND DEVELOPMENT- The Secretary may transfer amounts to the account 'Energy Efficiency and Renewable Energy' for necessary expenses for a program to support the development of next-generation wind turbines, including turbines capable of operating in areas with low wind speeds, as authorized in section 931(a)(2)(B) of the Energy Policy Act of 2005 (42 U.S.C. 16231(a)(2)(B)).

(3) **SOLAR ENERGY RESEARCH AND DEVELOPMENT-** The Secretary may transfer amounts to the account 'Energy Efficiency and Renewable Energy' for necessary expenses for a program to accelerate the research, development, demonstration, and deployment of solar energy technologies, and public education and outreach materials pursuant to such program, as authorized by section 931(a)(2)(A) of the Energy Policy Act of 2005 (42 U.S.C.

16231(a)(2)(A)).

(4) **MARINE AND HYDROKINETIC RENEWABLE ELECTRIC ENERGY-** The Secretary may transfer amounts to the account 'Energy Efficiency and Renewable Energy' for necessary expenses for a program to accelerate the research, development, demonstration, and deployment of ocean and wave energy, including hydrokinetic renewable energy, as authorized by section 931 of the Energy Policy Act of 2005 (42 U.S.C. 16231) and section 636 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17215).

(6) **ADVANCED VEHICLES RESEARCH, DEVELOPMENT, AND DEMONSTRATION-** The Secretary may transfer amounts to the account 'Energy Efficiency and Renewable Energy' for necessary expenses for research, development, and demonstration on advanced, cost-effective technologies to improve the energy efficiency and environmental performance of vehicles, as authorized in section 911(a)(2)(A) of the Energy Policy Act of 2005 (42 U.S.C. 16191(a)(2)(A)).

(7) **INDUSTRIAL ENERGY EFFICIENCY RESEARCH AND DEVELOPMENT-** The Secretary may transfer amounts to the account 'Energy Efficiency and Renewable Energy' for necessary expenses for a program to accelerate the research, development, demonstration, and deployment of new technologies to improve the energy efficiency and reduce greenhouse gas emissions from industrial processes, as authorized in section 911(a)(2)(C) of the Energy Policy Act of 2005 (42 U.S.C. 16191(a)(2)(C)) and in section 452 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111).

(8) **BUILDING AND LIGHTING ENERGY EFFICIENCY RESEARCH AND DEVELOPMENT-** The Secretary may transfer amounts to the account 'Energy Efficiency and Renewable Energy' for necessary expenses for a program to accelerate the research, development, demonstration, and deployment of new technologies to improve the energy efficiency of and reduce greenhouse gas emissions from buildings, as authorized in section 321(g) of the Energy Independence and Security Act of 2007 (42 U.S.C. 6295 note), section 422 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17082), and section 912 of the Energy Policy Act of 2005 (42 U.S.C. 16192).

(9) **GEOHERMAL ENERGY DEVELOPMENT-** The Secretary may transfer amounts to the account 'Energy Efficiency and Renewable Energy' for necessary expenses for geothermal research and development activities to be managed by the National Renewable Energy Laboratory, as authorized by sections 613, 614, 615, and 616 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17192-95) and section 931(a)(2)(C) of the Energy Policy Act of 2005 (42 U.S.C. 16231(a)(2)(C)).

(10) SMART GRID TECHNOLOGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION- The Secretary may transfer amounts to the account `Energy Efficiency and Renewable Energy' for necessary expenses for research, development, and demonstration of smart grid technologies, as authorized by section 1304 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17384).

(11) CARBON CAPTURE AND STORAGE- The Secretary may transfer amounts to the account `Fossil Energy Research and Development' for necessary expenses for a program of demonstration projects of carbon capture and storage, and for a research program to address public health, safety, and environmental impacts, as authorized by section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293) and sections 703 and 707 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17251, 17255).

(12) NONCONVENTIONAL DOMESTIC NATURAL GAS PRODUCTION AND ENVIRONMENTAL RESEARCH-

(A) The Secretary may transfer amounts to the account authorized by section 999H(e) of the Energy Policy Act of 2005 (42 U.S.C. 16378(e)).

(B) The Secretary may transfer amounts to the account `Fossil Energy Research and Development' for necessary expenses for a program of basin-oriented assessments and public and private partnerships involving States and industry to foster the development of regional advanced technological, regulatory, and economic development strategies for the efficient and environmentally sustainable recovery and market delivery of natural gas and domestic petroleum resources within the United States, and for support for the Stripper Well Consortium.

(13) HYDROGEN RESEARCH AND DEVELOPMENT- The Secretary may transfer amounts to the account `Energy Efficiency and Renewable Energy' for necessary expenses for the Department of Energy's H-Prize Program, as authorized by section 1008(f) of the Energy Policy Act of 2005 (42 U.S.C. 16396(f)).

(14) ENERGY STORAGE FOR TRANSPORTATION AND ELECTRIC POWER-

(A) The Secretary may transfer amounts to the account `Basic Energy Sciences' for necessary expenses for a program to accelerate basic research on energy storage systems to support electric drive vehicles, stationary applications, and electricity transmission and distribution, as authorized by section 641(p)(1) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17231(p)(1)).

(B) The Secretary may transfer amounts to the account `Energy Efficiency and Renewable Energy' including--

(i) amounts for a program to accelerate applied research on energy storage systems to support electric drive vehicles, stationary applications, and electricity transmission and distribution as authorized by section 641(p)(2) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17231(p)(2));

- (ii) amounts for energy storage systems demonstrations as authorized by section 641(p)(4) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17231(p)(4)); and
- (iii) amounts for vehicle energy storage systems demonstrations as authorized by section 641(p)(5) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17231(p)(5)).

(e) Transfer Procedures- The Secretary shall make an initial transfer from the Fund no later than 30 days after the initial deposit of monies into the Fund. The Secretary shall make additional transfers no later than 30 days after subsequent deposits.

(f) Management and Oversight-

(1) ADDITIONALITY OF FISCAL YEAR 2008 TRANSFERS- All amounts transferred under subsection (d) shall be in addition to, and shall not be substituted for, any funds appropriated for the same or similar purposes in the Consolidated Appropriations Act, 2008 or any other enacted legislation.

(2) EXCESS FUNDS- The total of all amounts transferred under subsection (d) and any funds appropriated for the same or similar purposes in the Consolidated Appropriations Act, 2008 or any other enacted legislation may not exceed the amounts authorized in other Acts for such purposes. In the event that amounts made available under this title plus amounts under the Consolidated Appropriations Act, 2008 exceed the cumulative amounts authorized in other Acts for any program funded by this Act, the excess amounts shall be distributed to the other programs funded by this title on a pro rata basis.

(3) PROGRAM PLANS AND PERFORMANCE MEASURES- The Secretary shall prepare and publish in the Federal Register a plan for the proposed use of all funds authorized in subsection (d). The plan also shall identify how the use of these funds will be additive to, and not displace, annual appropriations. The plans also shall identify performance measures to assess the additional benefits that may be realized from the application of the additional funding provided under this section. The initial plan shall be published in the Federal Register not later than 45 days after the date of enactment of this Act.

(4) CONGRESSIONAL OVERSIGHT AND REVIEW- Nothing in this section shall limit or restrict the review and oversight of program plans by the appropriate committees of Congress. Nothing in this section shall limit or restrict the authority of Congress to set alternative spending limitations in annual appropriations Acts.

(5) APPORTIONMENT- All transactions of the Fund shall be exempt from apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

TITLE III--CLEANER ENERGY PRODUCTION AND ENERGY CONSERVATION INCENTIVES

SEC. 301. EXTENSION OF RENEWABLE ENERGY CREDIT.

(a) In General- Each of the following provisions of section 45(d) of the Internal Revenue Code of 1986 (relating to qualified facilities) is amended by striking `January 1, 2014' and inserting `January 1, 2019':

- (1) Clauses (i) and (ii) of paragraph (2)(A) (relating to closed-loop biomass facility).
 - (2) Clauses (i)(I) and (ii) of paragraph (3)(A) (relating to open-loop biomass facility).
 - (3) Paragraph (4) (relating to geothermal energy facility).
 - (4) Paragraph (6) (relating to landfill gas facilities).
 - (5) Paragraph (7) (relating to trash combustion facilities).
 - (6) Subparagraphs (A) and (B) of paragraph (9) (relating to qualified hydropower facility).
 - (7) Paragraph (11) (relating to marine and hydrokinetic renewable energy facilities).
- (b) Wind Facilities- Paragraph (1) of section 45(d) of such Code is amended by striking `January 1, 2013' and inserting `January 1, 2019':
- (1) Paragraph (1) (relating to wind facility).

SEC. 302. EXTENSION OF RENEWABLE ENERGY CREDIT.

Each of the following provisions of section 45(d) of the Internal Revenue Code of 1986 (relating to qualified facilities) is amended by striking `January 1, 2013' and inserting `January 1, 2019':

- (1) Paragraph (1) (relating to wind facility).
- (2) Clauses (i) and (ii) of paragraph (2)(A) (relating to closed-loop biomass facility).
- (3) Clauses (i)(I) and (ii) of paragraph (3)(A) (relating to open-loop biomass facility).
- (4) Paragraph (4) (relating to geothermal energy facility).
- (5) Paragraph (5) (relating to small irrigation power facility).
- (6) Paragraph (6) (relating to landfill gas facilities).
- (7) Paragraph (7) (relating to trash combustion facilities).
- (8) Paragraph (8) (relating to refined coal production facility).
- (9) Subparagraphs (A) and (B) of paragraph (9) (relating to qualified hydropower facility).

SEC. 303. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL VEHICLES.

- (a) Qualified Fuel Cell Motor Vehicles- Paragraph (1) of section 30B(j) of the Internal Revenue Code of 1986 is amended by striking `December 31, 2014' and inserting `December 31, 2018'.
- (b) New Advanced Lean Burn Technology Motor Vehicle- Paragraph (2) of section 30B(j) of such Code is amended by striking `December 31, 2010' and inserting `December 31, 2018'.
- (c) New Qualified Hybrid Motor Vehicle- Paragraph (3) of section 30B(j) of such Code is amended by striking `December 31, 2009' and inserting `December 31, 2018'.
- (d) New Qualified Alternative Fuel Vehicle- Paragraph (4) of section 30B(j) of such Code is amended by striking `December 31, 2010' and inserting `December 31, 2018'.

SEC. 304. EXTENSION OF ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

Subsection (g) of section 30C of the Internal Revenue Code of 1986 (relating to termination) is amended to read as follows:

`(g) Termination- This section shall not apply to property placed in service after December 31, 2018.'

SEC. 305. EXTENSION OF CREDIT FOR ENERGY EFFICIENT APPLIANCES.

(a) Dishwashers- Paragraph (1) of section 45M(b) of the Internal Revenue Code of 1986 (relating to applicable amount) is amended by striking `in calendar year 2008, 2009, or 2010' in subparagraph (B) and inserting `after 2007 and before 2019'.

(b) Clothes Washers- Subparagraphs (C) and (D) of section 45M(b)(2) of such Code is amended by striking `in calendar year 2008, 2009, or 2010' and inserting `after 2007 and before 2019'.

(c) Refrigerators- Subparagraphs (C) and (D) of section 45M(b)(3) of such Code is amended by striking `in calendar year 2008, 2009, or 2010' and inserting `after 2007 and before 2019'.

(d) Effective Date- The amendments made by this section shall apply to appliances produced after date of the enactment of this Act.

SEC. 306. EXTENSION OF CREDIT FOR NONBUSINESS ENERGY PROPERTY.

Section 25C(g) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking `December 31, 2010' and inserting `December 31, 2018'.

SEC. 307. EXTENSION OF CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.

Section 25D(g) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking `December 31, 2016' and inserting `December 31, 2018'.

SEC. 308. EXTENSION OF NEW ENERGY EFFICIENT HOME CREDIT.

Subsection (g) of section 45L of the Internal Revenue Code of 1986 (relating to termination) is amended by striking `December 31, 2009' and inserting `December 31, 2018'.

SEC. 309. EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

Section 179D(h) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking `December 31, 2013' and inserting `December 31, 2018'.

SEC. 310. EXTENSION OF ENERGY CREDIT.

- (a) Solar Energy Property- Paragraphs (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal Revenue Code of 1986 (relating to energy credit) are each amended by striking `January 1, 2017' and inserting `January 1, 2019'.
- (b) Fuel Cell Property- Subparagraph (E) of section 48(c)(1) of such Code (relating to qualified fuel cell property) is amended by striking `December 31, 2016' and inserting `December 31, 2018'.
- (c) Microturbine Property- Subparagraph (D) of section 48(c)(2) of such Code (relating to qualified microturbine property) is amended by striking `December 31, 2016' and inserting `December 31, 2018'.
- (d) Property Using Thermal Energy From Ground or Ground Water- Clause (vii) of section 48(a)(3)(A) of such Code is amended by striking `December 31, 2017' and inserting `December 31, 2018'.
- (e) Combined Heat and Power System Property- Clause (iv) of section 48(c)(3)(A) of such Code is amended by striking `December 31, 2017' and inserting `December 31, 2018'.
- (f) Small Wind Energy Property- Subparagraph (C) of section 48(c)(4) of such Code is amended by striking `December 31, 2016' and inserting `December 31, 2018'.

SEC. 311. EXTENSION OF CREDIT FOR CLEAN RENEWABLE ENERGY BONDS.

- (a) Extension- Section 54(m) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking `December 31, 2009' and inserting `December 31, 2018'.
- (b) Effective Date- The amendment made by this section shall apply to obligations issued after December 31, 2009.

SEC. 312. EXTENSION OF CREDITS FOR BIODIESEL AND RENEWABLE DIESEL.

- (a) In General- Sections 40A(g), 6426(c)(6), and 6427(e)(6)(B) of the Internal Revenue Code of 1986 are each amended by striking `December 31, 2009' and inserting `December 31, 2018'.
- (b) Effective Date- The amendments made by this section shall apply to fuel produced, and sold or used, after December 31, 2009.

SEC. 313. CREATION OF CREDIT FOR MECHANICAL INSULATION.

- (a) In General- Part VI of subchapter B of chapter 1 of subtitle A of the Internal Revenue Code of 1986 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 179E the following new section:

`SEC. 179F. MECHANICAL INSULATION PROPERTY.

- `(a) Treatment as Expenses- There shall be allowed as a deduction an amount equal to the applicable percentage of the cost of mechanical insulation property placed in service during the taxable year.
- `(b) Applicable Percentage- For purposes of subsection (a)--
- `(1) IN GENERAL- The term `applicable percentage' means the lesser of--

`(e) Allocation of Deduction for Tax-Exempt Property- In the case of mechanical insulation property installed on or in property owned by an entity described in paragraph (3) or (4) of section 50(b), the person who is the primary contractor for the installation of such property shall be treated as the taxpayer that placed such property in service.

`(f) Certification- For purposes of this section, energy savings shall be certified under regulations or other guidance provided by the Secretary, in consultation with the Secretary of Energy.'

(b) Deduction for Capital Expenditures- Section 263(a)(1) of such Code (relating to capital expenditures) is amended by striking `or' at the end of subparagraph (K), by striking the period at the end of paragraph (L) and inserting `, or', and by adding at the end the following new subparagraph:

`(M) expenditures for which a deduction is allowed under section 179F.'

(c) Technical and Clerical Amendments-

(1) Section 312(k)(3)(B) of such Code is amended by striking `or 179E' each place it appears in the text or heading thereof and inserting `179E, or 179F'.

(2) Paragraphs (2)(C) and (3)(C) of section 1245(a) of such Code are each amended by inserting `179F,' after `179E,'.

(3) The table of sections for part VI of subchapter B of chapter 1 of subtitle A of such Code is amended by inserting after the item relating to section 179E the following new item:

`Sec. 179F. Mechanical insulation property.'

TITLE IV--INCREASE DIVERSIFICATION AND EFFICIENCY OF AMERICA'S TRANSPORTATION AND ELECTRIC SYSTEM

Subtitle A--Diversification of Fuel Source for America's Short-Haul Transportation System

SEC. 401. MINIMUM FEDERAL FLEET REQUIREMENT.

Section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) is amended--

(1) in subsection (b)--

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(B) by inserting after paragraph (1) the following:

`(2) **PLUG-IN ELECTRIC DRIVE VEHICLE or NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE** - Of the total number of vehicles acquired by a Federal fleet under paragraph (1), at least the following percentage of the vehicles shall be plug-in electric drive vehicles (as defined in section 131(a) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17011(a))) or **NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE**:

`(A) 10 percent for fiscal year 2014.

`(B) The applicable percentage for the preceding fiscal year increased by 2 percentage points (but not to exceed a total of 50 percent) for fiscal year 2015 and each subsequent fiscal year.'; and

(C) in paragraph (3) (as redesignated by subparagraph (A)), by inserting `or (2)' after `paragraph (1)';

(2) by striking subsection (c) and inserting the following:

`(c) Allocation of Incremental Costs- Subject to the availability of funds appropriated to carry out this subsection (to remain available until expended), the General Services Administration shall pay the incremental cost of alternative fueled vehicles over the cost of comparable gasoline vehicles for vehicles that the Administration purchased for the use of the Administration or on behalf of other agencies, in a total amount of not to exceed \$300,000,000 for any of fiscal years 2014 through 2019.';

(3) in subsection (f), by adding at the end the following:

`(4) COMPLIANCE- Compliance with this subsection shall not relieve the Federal agency of the obligations of the agency under subsection (b).'; and

(4) in subsection (g), by striking `fiscal years 1993 through 1998' and inserting `each fiscal year'.

SEC. 402. USE OF HOV FACILITIES BY LIGHT-DUTY PLUG-IN ELECTRIC DRIVE VEHICLES OR NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.

Section 166(b)(5) of title 23, United States Code, is amended--

(1) in subparagraph (A), by striking `Before' and inserting `Except as provided in subparagraph (D), before';

(2) in subparagraph (B), by striking `Before' and inserting `Except as provided in subparagraph (D), before'; and

(3) by adding at the end the following:

`(D) USE BY PLUG-IN ELECTRIC DRIVE VEHICLES-

`(i) DEFINITION OF PLUG-IN ELECTRIC DRIVE VEHICLE-

In this subparagraph, the term `plug-in electric drive vehicle' has the meaning given the term in section 131(a) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17011(a)).

`(iii) USE OF HOV FACILITIES- A State agency--

`(I) shall permit vehicles that are certified as low emission and energy-efficient vehicles in accordance with subsection (e) that are light-duty plug-in electric drive vehicles or new qualified alternative fuel motor vehicles, and that are purchased on or before December 31 of the calendar year described in clause (iii), as determined by the Secretary, to use HOV facilities in the State; and

`(II) shall not impose any toll or other charge on such a vehicle for use of an HOV facility in the State.

`(iii) CALENDAR YEAR- The calendar year referred to in clause (ii)(I) is the calendar year during which, as determined by the Secretary, the aggregate number of plug-in electric drive vehicles

sold in the United States during all calendar years exceeds 2,000,000.

`(iv) PETITION- A State may petition the Secretary to limit or discontinue the use of an HOV facility by plug-in electric drive vehicles if the State demonstrates to the Secretary that the presence of the plug-in electric drive vehicles has degraded the operation of the HOV facility.'

SEC. 403. RECHARGING INFRASTRUCTURE.

(a) Definitions- In this section:

(1) LOCAL GOVERNMENT- The term `local government' has the meaning given the term in section 3371 of title 5, United States Code.

(2) PLUG-IN ELECTRIC DRIVE VEHICLE- The term `plug-in electric drive vehicle' has the meaning given the term in section 131(a) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17011(a)).

(3) NEW QUALIFIED ALTERNATIVE FUEL VEHICLE- The term has the shall be the one used under section 30B(e)(4)(A) of Title 26 of the Internal Revenue Code.

`(i) The term `new qualified alternative fuel vehicle' is amended to mean the following--

`(I) is only capable of operating on an alternative fuel, or

`(II) is capable of operating on compressed or liquefied natural gas and (but not in combination with) gasoline or diesel fuel, but in no case shall such vehicle have an operating range of less than 200 miles on compressed or liquefied natural gas.'

`(II) The term `new qualified alternative fuel vehicle' includes the conversion or repower of a new or used vehicle so that it is capable of operating on a qualified alternative fuel as it was not previously capable of operating on an alternative fuel.

(3) RANGE EXTENSION INFRASTRUCTURE- The term `range extension infrastructure' includes equipment, products, or services for recharging plug-in electric drive vehicles that--

(A) are available to retail consumers of electric drive vehicles on a nondiscriminatory basis;

(B) provide for extending driving range through battery exchange or rapid recharging; and

(C) are comparable in convenience and price to petroleum-based refueling services.

(b) Study-

(1) IN GENERAL- The Secretary shall conduct a study of--

(A) the number and distribution of recharging facilities and alternative vehicle fuel facilities, including range extension infrastructure, that will be required for drivers of plug-in electric drive vehicles to reliably recharge the electric drive vehicles;

(B) minimum technical standards for public recharging facilities in coordination with the National Institute of Standards and Technology; and
 (C) the concurrent technical and infrastructure investments that electric utilities and electricity providers will be required to make to support widespread deployment of recharging infrastructure and the estimated costs of the investments.

(2) COMPONENTS- In conducting the study required under this subsection, the Secretary shall analyze--

(A) the variety and density of recharging infrastructure options necessary to power plug-in electric drive vehicles under diverse scenarios, including--

(i) the ratio of residential, commercial, and public recharging infrastructure options necessary to support 10 percent, 20 percent, and 50 percent penetration of plug-in electric vehicles on a city fleet basis;

(ii) the ratio of residential, commercial, and public recharging infrastructure options necessary to support 10 percent, 20 percent, and 50 percent penetration of plug-in electric vehicles on a national fleet basis; and

(iii) the potential impact of fast charging on penetration rates and utility power management requirements;

(B) whether use of parking spots with access to recharging facilities should be limited to plug-in electric drive vehicles; and

(C) such other issues as the Secretary considers appropriate.

(3) REPORT- Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report on the results of the study conducted under this subsection, including any recommendations.

(c) Grants and Loans to State and Local Governments for Recharging Infrastructure-

(1) IN GENERAL- Effective beginning 180 days from the date of the enactment of this Act, the Secretary shall establish a program under which the Secretary shall provide grants and loans to local governments to assist in the installation of recharging facilities for electric drive vehicles in areas under the jurisdiction of the local governments. The Secretary shall provide funding under this section to State or local governments to pay not more than fifty percent of the recharging infrastructure cost.

(2) ELIGIBILITY- To be eligible to obtain a grant or loan under this subsection, a local government shall--

(A) demonstrate to the Secretary that the applicant has taken into consideration the findings of the report submitted under subsection (b)(3), unless the local government demonstrates to the Secretary that an alternative variety and density of recharging infrastructure options would better meet the purposes of this section; and

(B) agree not to charge a premium for use of a parking space used to recharge an electric drive vehicle other than a charge for electric energy.

- (3) GUIDELINES- The Secretary shall establish guidelines for carrying out this subsection that are consistent with the report submitted under subsection (b)(3).
- (4) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to the Secretary to carry out this subsection a total of \$250,000,000 for grants and a total of \$250,000,000 for loans, to remain available until expended.

SEC. 404. LOAN GUARANTEES FOR ADVANCED BATTERY PURCHASES.

Subtitle B of title I of the Energy and Independence and Security Act of 2007 (42 U.S.C. 17011 et seq.) is amended by adding at the end the following:

SEC. 137. LOAN GUARANTEES FOR ADVANCED BATTERY PURCHASES.

(a) Definitions- In this section:

(1) PLUG-IN ELECTRIC DRIVE VEHICLE- The term 'plug-in electric drive vehicle' has the meaning given the term in section 131(a).

(2) RANGE EXTENSION INFRASTRUCTURE- The term 'range extension infrastructure' includes equipment, products, or services for recharging plug-in electric drive vehicles that--

(A) are available to retail consumers of electric drive vehicles on a nondiscriminatory basis;

(B) provide for extended driving range through battery exchange or rapid recharging; and

(C) are comparable in convenience and price to petroleum-based refueling services.

(b) Loan Guarantees- The Secretary shall guarantee loans made to eligible entities for the aggregate purchase by an eligible entity of not less than 5,000 batteries that use advanced battery technology within a calendar year.

(c) Eligible Entities- To be eligible to obtain a loan guarantee under this section, an entity shall be--

(1) an original equipment manufacturer;

(2) a vehicle manufacturer;

(3) an electric utility;

(4) any provider of range extension infrastructure; or

(5) any other qualified entity, as determined by the Secretary.

(d) Regulations- The Secretary shall promulgate such regulations as are necessary to carry out this section.

(e) Authorization of Appropriations- There are authorized to be appropriated such sums as are necessary to carry out this section.'

SEC. 405. STUDY OF END-OF-USEFUL LIFE OPTIONS FOR MOTOR VEHICLE BATTERIES.

(a) In General- In combination with the research, demonstration, and deployment activities conducted under section 641(k) of the Energy and Independence and Security

Act of 2007 (42 U.S.C. 17231(k)), the Secretary shall conduct a study on the end-of-useful life options for motor vehicle batteries, including recommendations for stationary storage applications and recyclability design specifications.

(b) Report- Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report on the results of the study conducted under subsection (a), including any recommendations.

SEC. 406. STUDY AND DEMONSTRATION ELECTRIFICATION OF POSTAL FLEET.

(a) In General- The Postal Service shall conduct a study of what portion of its mail delivery vehicles are capable of being replaced with plug-in hybrid electric vehicles.

(b) Report- Not later than 1 year after the date of enactment of this Act, the Postal Service shall submit to the appropriate committees of Congress a report on the results of the study conducted under subsection (a).

(c) Prototype Plug-In Electric Hybrid Mail Delivery Vehicles- Not later than 2 years after the date of enactment of this Act, the Postal One service shall contact for the development of a prototype plug-in electric hybrid mail delivery vehicles.

Subtitle B--Incentives for Diversification of Transportation

SEC. 420. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 421. EXTENSION OF CREDIT FOR MEDIUM AND HEAVY-DUTY HYBRID VEHICLES.

(a) In General- Paragraph (3) of section 30B(k) is amended by striking `December 31, 2009' and inserting `December 31, 2014'.

(b) Effective Date- The amendment made by this section shall apply to vehicles acquired after the date of the enactment of this Act.

SEC. 422. EXTENSION OF CREDIT AND EXTENSION OF TEMPORARY INCREASE IN CREDIT FOR ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.

(a) Extension of Credit- Subsection (g) of section 30C is amended by striking `service--' and all that follows and inserting `service after December 31, 2018.'.

(b) Extension of Temporary Increase- Paragraph (6) of section 30C(e) is amended--

(1) by striking `January 1, 2011' and inserting `January 1, 2019', and

(2) by striking `AND 2010' in the heading and inserting `THROUGH 2018'.

(c) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 423. EXTENSION AND EXPANSION OF CREDIT FOR NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

- (a) Extension- Section 30D is amended by adding at the end the following new subsection:
- “(g) Termination- This section shall not apply to any property purchased after December 31, 2018.”
- (b) Restoration of Credit for Large New Qualified Plug-In Electric Drive Motor Vehicles Weighing Over 14,000 Pounds-
- (1) IN GENERAL- The last sentence of section 30D(b)(3) is amended to read as follows: “The amount determined under this paragraph shall not exceed--
- “(A) \$5,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of not more than 14,000 pounds,
- “(B) \$10,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and
- “(C) \$12,500, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 26,000 pounds.”
- (2) CONFORMING AMENDMENTS- Paragraph (1) of section 30D(d) is amended by adding “and” at the end of subparagraph (D), by striking subparagraph (E), and by redesignating subparagraph (F) as subparagraph (E).
- (c) Increase in Per Manufacturer Cap- Paragraph (2) of section 30D(e) is amended by striking “200,000” and inserting “400,000”.
- (d) Effective Date- The amendments made by this section shall apply to vehicles acquired after the date of the enactment of this Act.

SEC. 424. EXTENSION OF CREDIT FOR CERTAIN PLUG-IN ELECTRIC VEHICLES.

- (a) In General- Subsection (f) of section 30 is amended by striking “December 31, 2011” and inserting “December 31, 2018”.
- (b) Effective Date- The amendment made by this section shall apply to vehicles acquired after the date of the enactment of this Act.

SEC. 425. CREDIT FOR NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

- (a) Plug-In Electric Drive Motor Vehicle Credit- Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended as follows:
- (1) Subsection (a) of section 30D is amended to read as follows:
- “(a) Allowance of Credit-
- “(1) IN GENERAL- There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable amount with respect to--
- “(A) each new qualified plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year, or

`(B) each automotive grade battery purchased by the taxpayer during the taxable year subject to a minimum purchase of 1,000 batteries with a battery capacity no smaller than 5 kilowatt hours.

`(2) APPLICABLE AMOUNT-

`(A) For purposes of paragraph (1)(A), the applicable amount is the sum of--

`(i) \$2,500, plus

`(ii) \$417 for each kilowatt hour of traction battery capacity in excess of kilowatt hours.

`(B) For purposes of paragraph (1)(B), the applicable amount is the sum of--

`(i) \$1,000, plus

`(ii) \$200 for each kilowatt hour of traction battery capacity in excess of 5 kilowatt hours.'

(2) Subsection (c)(6) is amended by striking the the period and inserting `, and' and inserting after it:

`(7) is not powered by a battery for which any taxpayer received a tax credit pursuant to subsection (a)(1)(B) of this section.'

(3) Subsections (d), (e), (f), and (g) are redesignated as subsections (e), (f), (g), and (h) and a new subsection (d) is inserted:

`(d) Qualified Automotive Battery- For purposes of this section, the term `qualified automotive battery' means a battery with at least 5 kilowatt hours of traction battery capacity that is designed for use in qualified plug-in electric drive motor vehicles but is purchased for non-automotive applications.'

SEC. 426. TAX CREDIT FOR MOST EFFICIENT VEHICLE IN CLASS.

Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by adding at the end the following new section:

`SEC. 30E. MOST EFFICIENT VEHICLE IN CLASS CREDIT.

`(a) Allowance of Credit- There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to \$2,000 for each motor vehicle that is determined to be the `most efficient vehicle in class' placed in service by the taxpayer during the taxable year.

`(b) Most Efficient Vehicle in Class- For purposes of this section, the term `most efficient vehicle in class' means the motor vehicle identified as the most efficient vehicle in each class of vehicle in the Annual Fuel Economy Guide published by the Environmental Protection Agency.'

SEC. 427. STUDY OF DEVELOPMENT OF COMMON STANDARDS FOR PHEVS AND EVS BETWEEN THE UNITED STATES, EUROPE AND ASIA.

(a) In General- The Secretary shall conduct a study identifying the components of electric vehicles, hybrid-electric vehicles and plug-in hybrid-electric vehicles for which it is

important that there be common standards within the United States and between the United States, European and Asian automakers and examine the extent to which such standards are (or are not) or have been (or have not been) developed, and the status of any such efforts to develop such standards.

(b) Report- Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report on the results of the study conducted under subsection (a), including any recommendations.

SEC. 428 MODIFICATION OF ALTERNATIVE FUEL CREDIT.

(a) Alternative Fuel Credit- Paragraph (5) of section 6426(d) (relating to alternative fuel credit) is amended by inserting `, and December 31, 2018, in the case of any sale or use involving compressed or liquefied natural gas' after `hydrogen'.

(b) Alternative Fuel Mixture Credit- Paragraph (3) of section 6426(e) is amended by inserting `, and December 31, 2018, in the case of any sale or use involving compressed or liquefied natural gas' after `hydrogen'.

(c) Payments Relating to Alternative Fuel or Alternative Fuel Mixtures- Paragraph (6) of section 6427(e) is amended--

(1) in subparagraph (C)--

(A) by striking `subparagraph (D)' and inserting `subparagraphs (D) and (E)', and
(B) by striking `and' at the end thereof,

(2) by striking the period at the end of subparagraph (D) and inserting `, and', and

(3) by inserting at the end the following:

`(E) any alternative fuel or alternative fuel mixture (as so defined) involving compressed or liquefied natural gas sold or used after December 31, 2016.'

(d) Payments Relating to Indian Tribes- Paragraph (1) of section 6427(k)(A) is amended by inserting striking `or' at the end and inserting `an Indian Tribal Government, or'.

(e) Effective Date- The amendments made by this section shall apply to fuel sold or used after the date of the enactment of this Act.

SEC. 429. MODIFICATION OF DEFINITION OF NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.

(a) In General- Clause (i) of section 30B(e)(4)(A) (relating to definition of new qualified alternative fuel motor vehicle) is amended to read as follows:

`(i) which--

`(I) is a dedicated vehicle that is only capable of operating on an alternative fuel,

`(II) is a bi-fuel vehicle that is capable of operating on compressed or liquefied natural gas and gasoline or diesel fuel, or

`(III) is a dual-fuel vehicle that is capable of operating on a mixture of compressed or liquefied natural gas and gasoline or diesel fuel.'

(b) Conversions and Repowers- Paragraph (4) of section 30B(e) is amended by adding at the end the following new subparagraph:

`(C) CONVERSIONS AND REPOWERS-

`(i) IN GENERAL- The term `new qualified alternative fuel motor vehicle' includes the conversion or repower of a new or used vehicle so that it is capable of operating on an alternative fuel as it was not previously capable of operating on an alternative fuel.

`(ii) TREATMENT AS NEW- A vehicle which has been converted to operate on an alternative fuel shall be treated as new on the date of such conversion for purposes of this section.

`(iii) RULE OF CONSTRUCTION- In the case of a used vehicle which is converted or repowered, nothing in this section shall be construed to require that the motor vehicle be acquired in the year the credit is claimed under this section with respect to such vehicle.'

(c) Effective Date- The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

Subtitle C--Low Carbon Diversification of Electric System

SEC. 431. INNOVATIVE LOW-CARBON LOAN GUARANTEE PROGRAM.

Section 1703 of the Energy Policy Act of 2005 (42 U.S.C. 16513) is amended--

(1) in subsection (b), by adding at the end the following:

`(11) Innovative low-carbon technology projects in accordance with subsection (f).'; and

(2) by adding at the end the following:

`(f) Innovative Low-Carbon Technology Projects-

`(1) IN GENERAL- The Secretary may make guarantees to carry out innovative low-carbon technologies projects.

`(2) FUNDING-

`(A) IN GENERAL- Subject to the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), the total principal amount of loans guaranteed to carry out projects under this subsection shall not exceed \$50,000,000,000, to remain available until committed.

`(B) ADDITIONAL AMOUNTS- Amounts made available to carry out this subsection shall be in addition to any other authority provided for fiscal year 2010 or any previous fiscal year.

`(C) SOURCE OF FUNDS-

`(i) IN GENERAL- Amounts made available to carry out this subsection shall be--

`(I) derived from amounts received from borrowers pursuant to section 1702(b)(2) for fiscal year 2010 or any previous fiscal year; and

`(II) collected in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

`(ii) TREATMENT- The source of payment received from borrowers described in clause (i) shall be not considered a loan or

other debt obligation that is guaranteed by the Federal Government.

`(D) SUBSIDY COST- In accordance with section 1702(b)(2), no appropriations to carry out this subsection shall be available to pay the subsidy cost of guarantees.'.

SEC. 432 ENSURING REVENUES ARE SUFFICIENT FOR IMPLEMENTATION OF TITLE IV

- (a) Any programs or directives established by Title IV of this Act, such as sec. 401, 403, 431, but not extensions of tax credits, shall be offset with funds in the Carbon Free Reserve account established in Section 107.
- (b) Once the reserve account's balance has funds sufficient to offset the costs of these provisions, the Secretary of Energy shall submit a plan to Congress within 180 days to begin implementation of those provisions.