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(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R. _____

To modernize energy infrastructure, build a 21st century energy and manufacturing workforce, bolster America's energy security and diplomacy, and promote energy efficiency and government accountability, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. UPTON introduced the following bill; which was referred to the Committee on _____

A BILL

To modernize energy infrastructure, build a 21st century energy and manufacturing workforce, bolster America's energy security and diplomacy, and promote energy efficiency and government accountability, 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 ''North American Energy Security and Infrastructure Act of 2015''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—MODERNIZING AND PROTECTING INFRASTRUCTURE

SEC. 1101. FERC PROCESS COORDINATION.

Section 15 of the Natural Gas Act (15 U.S.C. 717n) is amended—

(1) by amending subsection (b)(2) to read as follows:

''(2) OTHER AGENCIES.—

''(A) IN GENERAL.—Each Federal and State agency considering an aspect of an application for Federal authorization shall cooperate with the Commission and comply with the deadlines established by the Commission.

''(B) IDENTIFICATION.—The Commission shall identify, as early as practicable after it is notified by a prospective applicant of a potential project requiring Commission authorization, any Federal or State agency, local government, or Indian tribe that may consider an aspect of an application for that Federal authorization.

''(C) NOTIFICATION.—

''(i) IN GENERAL.—The Commission shall notify any agency identified under subparagraph (B) of the opportunity to cooperate or participate in the review process.

''(ii) DEADLINE.—A notification issued under clause (i) shall establish a deadline by which a response to the notification shall be submitted, which may be extended by the Commission for good cause.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''and'' at the end of subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (C); and

(iii) by inserting after subparagraph (A) the following new subparagraph:

''(B) set deadlines for all such Federal authorizations; and'';

(B) by striking paragraph (2); and

(C) by adding at the end the following new paragraphs:

''(2) DEADLINE FOR FEDERAL AUTHORIZATIONS.—A final decision on a Federal authorization is due no later than 90 days after the Commission issues its final environmental document, unless a schedule is otherwise established by Federal law.

''(3) COMMISSION RECOMMENDATION.—To ensure that timely decisions are made and that the responsibilities of each Federal and State agency are met when making a decision with respect to a Federal authorization, the Commission shall coordinate its efforts with Federal and State agencies and make a recommendation on the scope of the environmental review that the Commission determines to be appropriate. Each Federal and State agency shall give deference to the Commission's recommendation as appropriate and in accordance with applicable Federal law.

''(4) CONCURRENT REVIEWS.—Each Federal and State agency considering an aspect of an application for a Federal authorization shall—

''(A) carry out the obligations of that agency under applicable law concurrently, and in conjunction, with the review required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), unless doing so would im-

pair the ability of the agency to conduct needed analysis or otherwise carry out those obligations;

''(B) formulate and implement administrative, policy, and procedural mechanisms to enable the agency to ensure completion of required Federal authorizations no later than 90 days after the Commission issues its final environmental document; and

''(C) transmit to the Commission a statement—

''(i) acknowledging receipt of the schedule established under paragraph (1); and

''(ii) setting forth the plan formulated under subparagraph (B) of this paragraph.

''(5) ISSUE IDENTIFICATION AND RESOLUTION.—

''(A) IDENTIFICATION.—Federal and State agencies that may consider an aspect of an application for Federal authorization shall identify, as early as possible, any issues of concern that may delay or prevent an agency from working with the Commission to resolve such issues and granting such authorization.

''(B) ISSUE RESOLUTION.—The Commission may forward any issue of concern identified under subparagraph (A) to the heads of the relevant agencies (including, in the case of a failure by the State agency, the Federal agency overseeing the delegated authority) for resolution.

''(6) FAILURE TO MEET SCHEDULE.—If a Federal or State agency does not complete a proceeding for an approval that is required for a Federal authorization in accordance with the schedule established by the Commission under paragraph (1)—

''(A) the applicant may pursue remedies under section 19(d); and

''(B) the head of the relevant Federal agency (including, in the case of a failure by a State agency, the Federal agency overseeing the delegated authority) shall notify Congress and the Commission of such failure and set forth a recommended implementation plan to ensure completion of the proceeding for an approval.'';

(3) by redesignating subsections (d) through (f) as subsections (f) through (h), respectively; and

(4) by inserting after subsection (c) the following new subsections:

''(d) APPLICATION PROCESSING.—The Commission, and Federal and State agencies, may allow an applicant seeking Federal authorization to fund a third party contractor to assist in reviewing the application.

''(e) ACCOUNTABILITY, TRANSPARENCY, EFFICIENCY.—For applications requiring multiple Federal authorizations, the Commission, with input from any Federal or State agency considering an aspect of an application, shall track and make available to the public on the Commission's website information related to the actions required to complete permitting, reviews, and other actions required. Such information shall include the following:

''(1) The schedule established by the Commission under subsection (c)(1).

''(2) A list of all the actions required by each applicable agency to complete permitting, reviews, and other actions necessary to obtain a final decision on the Federal authorization.

''(3) The expected completion date for each such action.

''(4) A point of contact at the agency accountable for each such action.

''(5) In the event that an action is still pending as of the expected date of completion, a brief explanation of the reasons for the delay.''.

SEC. 1102. RESOLVING ENVIRONMENTAL AND GRID RELIABILITY CONFLICTS.

(a) COMPLIANCE WITH OR VIOLATION OF ENVIRONMENTAL LAWS WHILE UNDER EMERGENCY ORDER.—Section 202(c) of the Federal Power Act (16 U.S.C. 824a(c)) is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) by adding at the end the following:

''(2) With respect to an order issued under this subsection that may result in a conflict with a requirement of any Federal, State, or local environmental law or regulation, the Commission shall ensure that such order requires generation, delivery, interchange, or transmission of electric energy only during hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable, is consistent with any applicable Federal, State, or local environmental law or regulation and minimizes any adverse environmental impacts.

''(3) To the extent any omission or action taken by a party, that is necessary to comply with an order issued under this subsection, including any omission or action taken to voluntarily comply with such order, results in noncompliance with, or causes such party to not comply with, any Federal, State, or local environmental law or regulation, such omission or action shall not be considered a violation of such environmental law or regulation, or

subject such party to any requirement, civil or criminal liability, or a citizen suit under such environmental law or regulation.

''(4)(A) An order issued under this subsection that may result in a conflict with a requirement of any Federal, State, or local environmental law or regulation shall expire not later than 90 days after it is issued. The Commission may renew or reissue such order pursuant to paragraphs (1) and (2) for subsequent periods, not to exceed 90 days for each period, as the commission determines necessary to meet the emergency and serve the public interest.

''(B) In renewing or reissuing an order under subparagraph (A), the Commission shall consult with the primary Federal agency with expertise in the environmental interest protected by such law or regulation, and shall include in any such renewed or reissued order such conditions as such Federal agency determines necessary to minimize any adverse environmental impacts to the extent practicable. The conditions, if any, submitted by such Federal agency shall be made available to the public. The Commission may exclude such a condition from the renewed or reissued order if it determines that such condition would prevent the order from adequately addressing the emergency necessitating such order and provides in

the order, or otherwise makes publicly available, an explanation of such determination.

''(5) If an order issued under this subsection is subsequently stayed, modified, or set aside by a court pursuant to section 313 or any other provision of law, any omission or action previously taken by a party that was necessary to comply with the order while the order was in effect, including any omission or action taken to voluntarily comply with the order, shall remain subject to paragraph (3).''.

(b) TEMPORARY CONNECTION OR CONSTRUCTION BY MUNICIPALITIES.—Section 202(d) of the Federal Power Act (16 U.S.C. 824a(d)) is amended by inserting ''or municipality'' before ''engaged in the transmission or sale of electric energy''.

SEC. 1103. EMERGENCY PREPAREDNESS FOR ENERGY SUPPLY DISRUPTIONS.

(a) FINDING.—Congress finds that recent natural disasters have underscored the importance of having resilient oil and natural gas infrastructure and effective ways for industry and government to communicate to address energy supply disruptions.

(b) AUTHORIZATION FOR ACTIVITIES TO ENHANCE EMERGENCY PREPAREDNESS FOR NATURAL DISAS-

TERS.—The Secretary of Energy shall develop and adopt procedures to—

(1) improve communication and coordination between the Department of Energy's energy response team, Federal partners, and industry;

(2) leverage the Energy Information Administration's subject matter expertise within the Department's energy response team to improve supply chain situation assessments;

(3) establish company liaisons and direct communication with the Department's energy response team to improve situation assessments;

(4) streamline and enhance processes for obtaining temporary regulatory relief to speed up emergency response and recovery;

(5) facilitate and increase engagement among States, the oil and natural gas industry, and the Department in developing State and local energy assurance plans;

(6) establish routine education and training programs for key government emergency response positions with the Department and States; and

(7) involve States and the oil and natural gas industry in comprehensive drill and exercise programs.

(c) COOPERATION.—The activities carried out under subsection (b) shall include collaborative efforts with State and local government officials and the private sector.

(d) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary of Energy shall submit to Congress a report describing the effectiveness of the activities authorized under this section.

SEC. 1104. CRITICAL ELECTRIC INFRASTRUCTURE SECURITY.

(a) CRITICAL ELECTRIC INFRASTRUCTURE SECURITY.—Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding after section 215 the following new section:

"SEC. 215A. CRITICAL ELECTRIC INFRASTRUCTURE SECURITY.

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

''(1) BULK-POWER SYSTEM; ELECTRIC RELIABILITY ORGANIZATION; REGIONAL ENTITY.—The terms 'bulk-power system', 'Electric Reliability Organization', and 'regional entity' have the meanings given such terms in paragraphs (1), (2), and (7) of section 215(a), respectively.

''(2) CRITICAL ELECTRIC INFRASTRUCTURE.—The term 'critical electric infrastructure' means a system or asset of the bulk-power system, whether

physical or virtual, the incapacity or destruction of which would negatively affect national security, economic security, public health or safety, or any combination of such matters.

''(3) CRITICAL ELECTRIC INFRASTRUCTURE INFORMATION.—The term 'critical electric infrastructure information' means information related to critical electric infrastructure, or proposed critical electrical infrastructure, generated by or provided to the Commission or other Federal agency, other than classified national security information, that is designated as critical electric infrastructure information by the Commission under subsection (d)(2). Such term includes information that qualifies as critical energy infrastructure information under the Commission's regulations.

''(4) DEFENSE CRITICAL ELECTRIC INFRASTRUCTURE.—The term 'defense critical electric infrastructure' means any electric infrastructure located in the United States (including the territories) that serves a facility designated by the Secretary pursuant to subsection (c), but is not owned or operated by the owner or operator of such facility.

''(5) ELECTROMAGNETIC PULSE.—The term 'electromagnetic pulse' means 1 or more pulses of

electromagnetic energy emitted by a device capable of disabling or disrupting operation of, or destroying, electronic devices or communications networks, including hardware, software, and data, by means of such a pulse.

''(6) GEOMAGNETIC STORM.—The term 'geomagnetic storm' means a temporary disturbance of the Earth's magnetic field resulting from solar activity.

''(7) GRID SECURITY EMERGENCY.—The term 'grid security emergency' means the occurrence or imminent danger of—

''(A)(i) a malicious act using electronic communication or an electromagnetic pulse, or a geomagnetic storm event, that could disrupt the operation of those electronic devices or communications networks, including hardware, software, and data, that are essential to the reliability of critical electric infrastructure or of defense critical electric infrastructure; and

''(ii) disruption of the operation of such devices or networks, with significant adverse effects on the reliability of critical electric infrastructure or of defense critical electric infrastructure, as a result of such act or event; or

''(B)(i) a direct physical attack on critical electric infrastructure or on defense critical electric infrastructure; and

''(ii) significant adverse effects on the reliability of critical electric infrastructure or of defense critical electric infrastructure as a result of such physical attack.

''(8) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

''(b) AUTHORITY TO ADDRESS GRID SECURITY EMERGENCY.—

''(1) AUTHORITY.—Whenever the President issues and provides to the Secretary a written directive or determination identifying a grid security emergency, the Secretary may, with or without notice, hearing, or report, issue such orders for emergency measures as are necessary in the judgment of the Secretary to protect or restore the reliability of critical electric infrastructure or of defense critical electric infrastructure during such emergency. As soon as practicable but not later than 180 days after the date of enactment of this section, the Secretary shall, after notice and opportunity for comment, establish rules of procedure that ensure that such authority can be exercised expeditiously.

''(2) NOTIFICATION OF CONGRESS.—Whenever the President issues and provides to the Secretary a written directive or determination under paragraph (1), the President shall promptly notify congressional committees of relevant jurisdiction, including the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, of the contents of, and justification for, such directive or determination.

''(3) CONSULTATION.—Before issuing an order for emergency measures under paragraph (1), the Secretary shall, to the extent practicable in light of the nature of the grid security emergency and the urgency of the need for action, consult with appropriate governmental authorities in Canada and Mexico, entities described in paragraph (4), the Electricity Sub-sector Coordinating Council, the Commission, and other appropriate Federal agencies regarding implementation of such emergency measures.

''(4) APPLICATION.—An order for emergency measures under this subsection may apply to—

''(A) the Electric Reliability Organization;

''(B) a regional entity; or

''(C) any owner, user, or operator of critical electric infrastructure or of defense critical electric infrastructure within the United States.

''(5) EXPIRATION AND REISSUANCE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an order for emergency measures issued under paragraph (1) shall expire no later than 15 days after its issuance.

''(B) EXTENSIONS.—The Secretary may reissue an order for emergency measures issued under paragraph (1) for subsequent periods, not to exceed 15 days for each such period, provided that the President, for each such period, issues and provides to the Secretary a written directive or determination that the grid security emergency identified under paragraph (1) continues to exist or that the emergency measure continues to be required.

''(6) COST RECOVERY.—

''(A) CRITICAL ELECTRIC INFRASTRUCTURE.—If the Commission determines that owners, operators, or users of critical electric infrastructure have incurred substantial costs to comply with an order for emergency measures issued under this subsection and that such costs

were prudently incurred and cannot reasonably be recovered through regulated rates or market prices for the electric energy or services sold by such owners, operators, or users, the Commission shall, consistent with the requirements of section 205, after notice and an opportunity for comment, establish a mechanism that permits such owners, operators, or users to recover such costs.

''(B) DEFENSE CRITICAL ELECTRIC INFRASTRUCTURE.—To the extent the owner or operator of defense critical electric infrastructure is required to take emergency measures pursuant to an order issued under this subsection, the owners or operators of a critical defense facility or facilities designated by the Secretary pursuant to subsection (c) that rely upon such infrastructure shall bear the full incremental costs of the measures.

''(7) TEMPORARY ACCESS TO CLASSIFIED INFORMATION.—The Secretary, and other appropriate Federal agencies, shall, to the extent practicable and consistent with their obligations to protect classified information, provide temporary access to classified information related to a grid security emergency for

which emergency measures are issued under paragraph (1) to key personnel of any entity subject to such emergency measures to enable optimum communication between the entity and the Secretary and other appropriate Federal agencies regarding the grid security emergency.

''(c) DESIGNATION OF CRITICAL DEFENSE FACILITIES.—Not later than 180 days after the date of enactment of this section, the Secretary, in consultation with other appropriate Federal agencies and appropriate owners, users, or operators of infrastructure that may be defense critical electric infrastructure, shall identify and designate facilities located in the United States (including the territories) that are—

''(1) critical to the defense of the United States; and

''(2) vulnerable to a disruption of the supply of electric energy provided to such facility by an external provider.

The Secretary may, in consultation with appropriate Federal agencies and appropriate owners, users, or operators of defense critical electric infrastructure, periodically revise the list of designated facilities as necessary.

''(d) PROTECTION AND SHARING OF CRITICAL ELECTRIC INFRASTRUCTURE INFORMATION.—

''(1) PROTECTION OF CRITICAL ELECTRIC INFRASTRUCTURE INFORMATION.—Critical electric infrastructure information—

''(A) shall be exempt from disclosure under section 552(b)(3) of title 5, United States Code; and

''(B) shall not be made available by any Federal, State, political subdivision or tribal authority pursuant to any Federal, State, political subdivision or tribal law requiring public disclosure of information or records.

''(2) DESIGNATION AND SHARING OF CRITICAL ELECTRIC INFRASTRUCTURE INFORMATION.—Not later than one year after the date of enactment of this section, the Commission, in consultation with the Secretary of Energy, shall promulgate such regulations and issue such orders as necessary to—

''(A) designate information as critical electric infrastructure information;

''(B) prohibit the unauthorized disclosure of critical electric infrastructure information;

''(C) ensure there are appropriate sanctions in place for Commissioners, officers, employees, or agents of the Commission who knowingly and willfully disclose critical electric

infrastructure information in a manner that is not authorized under this section; and

''(D) taking into account standards of the Electric Reliability Organization, facilitate voluntary sharing of critical electric infrastructure information with, between, and by—

''(i) Federal, State, political subdivision, and tribal authorities;

''(ii) the Electric Reliability Organization;

''(iii) regional entities;

''(iv) information sharing and analysis centers established pursuant to Presidential Decision Directive 63;

''(v) owners, operators, and users of critical electric infrastructure in the United States; and

''(vi) other entities determined appropriate by the Commission.

''(3) CONSIDERATIONS.—In promulgating regulations and issuing orders under paragraph (2), the Commission shall take into consideration the role of State commissions in reviewing the prudence and cost of investments, determining the rates and terms of conditions for electric services, and ensuring the

safety and reliability of the bulk-power system and distribution facilities within their respective jurisdictions.

''(4) PROTOCOLS.—The Commission shall, in consultation with Canadian and Mexican authorities, develop protocols for the voluntary sharing of critical electric infrastructure information with Canadian and Mexican authorities and owners, operators, and users of the bulk-power system outside the United States.

''(5) NO REQUIRED SHARING OF INFORMATION.—Nothing in this section shall require a person or entity in possession of critical electric infrastructure information to share such information with Federal, State, political subdivision, or tribal authorities, or any other person or entity.

''(6) DISCLOSURE OF NON-CRITICAL ELECTRIC INFRASTRUCTURE INFORMATION.—In implementing this section, the Commission shall segregate critical electric infrastructure information within documents and electronic communications, wherever feasible, to facilitate disclosure of information that is not designated as critical electric infrastructure information.

''(e) SECURITY CLEARANCES.—The Secretary shall facilitate and, to the extent practicable, expedite the acquisition of adequate security clearances by key personnel of any entity subject to the requirements of this section, to enable optimum communication with Federal agencies regarding threats to the security of the critical electric infrastructure. The Secretary, the Commission, and other appropriate Federal agencies shall, to the extent practicable and consistent with their obligations to protect classified and critical electric infrastructure information, share timely actionable information regarding grid security with appropriate key personnel of owners, operators, and users of the critical electric infrastructure.

''(f) CLARIFICATIONS OF LIABILITY.—

''(1) COMPLIANCE WITH OR VIOLATION OF THIS ACT.—Except as provided in paragraph (4), to the extent any action or omission taken by an entity that is necessary to comply with an order for emergency measures issued under subsection (b)(1), including any action or omission taken to voluntarily comply with such order, results in noncompliance with, or causes such entity not to comply with any rule, order, regulation, or provision of this Act, including any reliability standard approved by the Commission pursuant to section 215, such action or

omission shall not be considered a violation of such rule, order, regulation, or provision.

''(2) RELATION TO SECTION 202(c).—Except as provided in paragraph (4), an action or omission taken by an owner, operator, or user of critical electric infrastructure or of defense critical electric infrastructure to comply with an order for emergency measures issued under subsection (b)(1) shall be treated as an action or omission taken to comply with an order issued under section 202(c) for purposes of such section.

''(3) SHARING OR RECEIPT OF INFORMATION.—No cause of action shall lie or be maintained in any Federal or State court for the sharing or receipt of information under, and that is conducted in accordance with, subsection (d).

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to require dismissal of a cause of action against an entity that, in the course of complying with an order for emergency measures issued under subsection (b)(1) by taking an action or omission for which they would be liable but for paragraph (1) or (2), takes such action or omission in a grossly negligent manner.''.

(b) CONFORMING AMENDMENTS.—

(1) JURISDICTION.—Section 201(b)(2) of the Federal Power Act (16 U.S.C. 824(b)(2)) is amended by inserting ''215A,'' after ''215,'' each place it appears.

(2) PUBLIC UTILITY.—Section 201(e) of the Federal Power Act (16 U.S.C. 824(e)) is amended by inserting ''215A,'' after ''215,''.

SEC. 1105. STRATEGIC TRANSFORMER RESERVE.

(a) FINDING.—Congress finds that the storage of strategically located spare large power transformers will reduce the vulnerability of the United States to multiple risks facing electric grid reliability, including physical attack, cyber attack, electromagnetic pulse, geomagnetic disturbances, severe weather, and seismic events.

(b) DEFINITIONS.—In this section:

(1) BULK-POWER SYSTEM.—The term ''bulk-power system'' has the meaning given such term in section 215(a) of the Federal Power Act (16 U.S.C. 824o(a)).

(2) CRITICALLY DAMAGED LARGE POWER TRANSFORMER.—The term ''critically damaged large power transformer'' means a large power transformer that—

(A) has sustained extensive damage such that—

(i) repair or refurbishment is not economically viable; or

(ii) the extensive time to repair or refurbish the large power transformer would create an extended period of instability in the bulk-power system; and

(B) prior to sustaining such damage, was part of the bulk-power system.

(3) ELECTRIC RELIABILITY ORGANIZATION.—The term ''Electric Reliability Organization'' has the meaning given such term in section 215(a) of the Federal Power Act (16 U.S.C. 824o(a)).

(4) LARGE POWER TRANSFORMER.—The term ''large power transformer'' means a power transformer with a maximum nameplate rating of 100 megavolt-amperes or higher, including related critical equipment, that is, or is intended to be, a part of the bulk-power system.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(6) SPARE LARGE POWER TRANSFORMER.—The term ''spare large power transformer'' means a large power transformer that is stored within the Strategic Transformer Reserve to be available to tempo-

rarily replace a critically damaged large power transformer.

(c) STRATEGIC TRANSFORMER RESERVE PLAN.—

(1) PLAN.—Not later than one year after the date of enactment of this Act, the Secretary, acting through the Office of Electricity Delivery and Energy Reliability, shall, in consultation with the Federal Energy Regulatory Commission, the Electricity Sub-sector Coordinating Council, and the Electric Reliability Organization, prepare and submit to Congress a plan to establish a Strategic Transformer Reserve for the storage, in strategically-located facilities, of spare large power transformers in sufficient numbers to temporarily replace critically damaged large power transformers.

(2) INCLUSIONS.—The Strategic Transformer Reserve plan shall include a description of—

(A) the appropriate number and type of spare large power transformers necessary to provide or restore sufficient resiliency to the bulk-power system to mitigate significant impacts to the electric grid resulting from—

(i) physical attack;

(ii) cyber attack;

(iii) electromagnetic pulse attack;

(iv) geomagnetic disturbances;

(v) severe weather; or

(vi) seismic events;

(B) other critical electric grid equipment for which an inventory of spare equipment is necessary to provide or restore sufficient resiliency to the bulk-power system;

(C) the degree to which utility sector actions or initiatives, including individual utility ownership of spare equipment, joint ownership of spare equipment inventory, sharing agreements, or other spare equipment reserves or arrangements, satisfy the needs identified under subparagraphs (A) and (B);

(D) the potential locations for, and feasibility and appropriate number of, strategic storage locations for reserve equipment, including consideration of—

(i) the physical security of such locations;

(ii) the protection of the confidentiality of such locations; and

(iii) the proximity of such locations to sites of potentially critically damaged large power transformers, so as to enable effi-

cient delivery of spare large power transformers to such sites;

(E) the necessary degree of flexibility of spare large power transformers to be included in the Strategic Transformer Reserve to conform to different substation configurations, including consideration of transformer—

(i) power and voltage rating for each winding;

(ii) overload requirements;

(iii) impedance between windings;

(iv) configuration of windings; and

(v) tap requirements;

(F) an estimate of the direct cost of the Strategic Transformer Reserve, as proposed, including—

(i) the cost of storage facilities for the spare large power transformers;

(ii) the cost of the spare large power transformers; and

(iii) management, maintenance, and operation costs;

(G) the funding options available to establish, stock, manage, and maintain the Strategic Transformer Reserve, including consideration of

fees on owners of bulk-power system facilities relying on the Strategic Transformer Reserve, use of Federal appropriations, and public-private cost-sharing options;

(H) the ease and speed of transportation, installation, and energization of spare large power transformers to be included in the Strategic Transformer Reserve, including consideration of factors such as—

(i) transformer transportation weight;

(ii) transformer size;

(iii) topology of critical substations;

(iv) availability of appropriate transformer mounting pads;

(v) flexibility of the spare large power transformers as described in subparagraph (E); and

(vi) ability to rapidly transition a spare large power transformer from storage to energization;

(I) eligibility criteria for withdrawal of spare large power transformers from the Strategic Transformer Reserve to replace critically damaged large power transformers;

(J) the process by which owners of critically damaged large power transformers may apply for a withdrawal from the Strategic Transformer Reserve;

(K) the process by which spare large power transformers withdrawn from the Strategic Transformer Reserve are returned to the Strategic Transformer Reserve or are replaced;

(L) possible fees to be paid by owners of critically damaged large power transformers that have withdrawn such spare large power transformers from the Strategic Transformer Reserve;

(M) possible fees to be paid by owners of large power transformers to cover operating costs of the Strategic Transformer Reserve;

(N) the domestic and international large power transformer supply chain; and

(O) other considerations for designing, constructing, stocking, funding, and managing the Strategic Transformer Reserve.

(d) ESTABLISHMENT.—The Secretary may establish a Strategic Transformer Reserve in accordance with the plan prepared pursuant to subsection (c) after the date

that is 6 months after the date on which such plan is submitted to Congress.

(e) DISCLOSURE OF INFORMATION.—Any information included in the Strategic Transformer Reserve plan, or shared in the preparation and development of such plan, the disclosure of which could cause harm to critical electric infrastructure (as defined in section 215A of the Federal Power Act), shall be exempt from disclosure under section 552(b)(3) of title 5, United States Code, and any State, tribal, or local law requiring disclosure of information or records.

SEC. 1106. CYBER SENSE.

(a) IN GENERAL.—The Secretary of Energy shall establish a voluntary Cyber Sense program to identify and promote cyber-secure products intended for use in the bulk-power system, as defined in section 215(a) of the Federal Power Act (16 U.S.C. 824o(a)).

(b) PROGRAM REQUIREMENTS.—In carrying out subsection (a), the Secretary of Energy shall—

(1) establish a Cyber Sense testing process to identify products and technologies intended for use in the bulk-power system, including products relating to industrial control systems, such as supervisory control and data acquisition systems;

(2) for products tested and identified under the Cyber Sense program, establish and maintain cybersecurity vulnerability reporting processes and a related database;

(3) promulgate regulations regarding vulnerability reporting processes for products tested and identified under the Cyber Sense program;

(4) provide technical assistance to utilities, product manufacturers, and other electric sector stakeholders to develop solutions to mitigate identified vulnerabilities in products tested and identified under the Cyber Sense program;

(5) biennially review products tested and identified under the Cyber Sense program for vulnerabilities and provide analysis with respect to how such products respond to and mitigate cyber threats;

(6) develop procurement guidance for utilities for products tested and identified under the Cyber Sense program;

(7) provide reasonable notice to the public, and solicit comments from the public, prior to establishing or revising the Cyber Sense testing process;

(8) oversee Cyber Sense testing carried out by third parties; and

(9) consider incentives to encourage the use in the bulk-power system of products tested and identified under the Cyber Sense program.

(c) DISCLOSURE OF INFORMATION.—Any vulnerability reported pursuant to regulations promulgated under subsection (b)(3), the disclosure of which could cause harm to critical electric infrastructure (as defined in section 215A of the Federal Power Act), shall be exempt from disclosure under section 552(b)(3) of title 5, United States Code, and any State, tribal, or local law requiring disclosure of information or records.

(d) FEDERAL GOVERNMENT LIABILITY.—Consistent with other voluntary Federal government certification programs, nothing in this section shall be construed to authorize the commencement of an action against the United States Government with respect to the testing and identification of a product under the Cyber Sense program.

SEC. 1107. STATE COVERAGE AND CONSIDERATION OF PURPA STANDARDS FOR ELECTRIC UTILITIES.

(a) STATE CONSIDERATION OF RESILIENCY AND ADVANCED ENERGY ANALYTICS TECHNOLOGIES AND RELIABLE GENERATION.—

(1) CONSIDERATION.—Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16

U.S.C. 2621(d)) is amended by adding the following at the end:

''(20) IMPROVING THE RESILIENCE OF ELECTRIC INFRASTRUCTURE.—

''(A) IN GENERAL.—Each electric utility shall develop a plan to use resiliency-related technologies and other approaches designed to improve the resilience of electric infrastructure, mitigate power outages, continue delivery of vital services, and maintain the flow of power to facilities critical to public health, safety, and welfare, to the extent practicable using the most current data, metrics, and frameworks related to current and future threats, including physical and cyber attacks, electromagnetic pulse attacks, geomagnetic disturbances, seismic events, and severe weather and other environmental stressors.

''(B) RESILIENCY-RELATED TECHNOLOGIES.—For purposes of this paragraph, examples of resiliency-related technologies include—

''(i) advanced grid technologies capable of isolating or repairing problems remotely, such as advanced metering infra-

structure, high-tech sensors, grid monitoring and control systems, and remote reconfiguration and redundancy systems;

''(ii) all types of distributed and backup generation;

''(iii) microgrids;

''(iv) combined heat and power;

''(v) waste heat resources;

''(vi) energy storage technologies;

''(vii) wiring, cabling, and other distribution components, including submersible distribution components, and enclosures;

''(viii) electronically-controlled reclosers and similar technologies for power restoration; and

''(ix) advanced energy analytics technology (as described in paragraph (21)).

''(C) RATE RECOVERY.—Each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) shall consider authorizing each such electric utility to recover any capital, operating expenditure, or other costs of the electric utility related to the procurement, deployment, or use of resil-

iency-related technologies, including a reasonable rate of return on the capital expenditures of the electric utility for the procurement, deployment, or use of resiliency-related technologies.

''(21) PROMOTING INVESTMENTS IN ADVANCED ENERGY ANALYTICS TECHNOLOGY.—

''(A) IN GENERAL.—Each electric utility shall develop and implement a plan for deploying advanced energy analytics technology.

''(B) RATE RECOVERY.—Each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) shall consider confirming and clarifying, if necessary, that each such electric utility is authorized to recover the costs of the electric utility relating to the procurement, deployment, or use of advanced energy analytics technology, including a reasonable rate of return on all such costs incurred by the electric utility for the procurement, deployment, or use of advanced energy analytics technology, provided such technology is used by the electric utility for purposes of realizing operational efficiencies, cost savings, enhanced energy management and customer en-

gagement, improvements in system reliability, safety, and cybersecurity, or other benefits to ratepayers.

''(C) ADVANCED ENERGY ANALYTICS TECHNOLOGY.—For purposes of this paragraph, examples of advanced energy analytics technology include internet-based and cloud-based computing solutions and subscription licensing models, including software as a service that uses cyber-physical systems to allow the correlation of data aggregated from appropriate data sources and smart grid sensor networks, employs analytics and machine learning, or employs other advanced computing solutions and models.

''(22) ASSURING ELECTRIC RELIABILITY WITH RELIABLE GENERATION.—

''(A) ASSURANCE OF ELECTRIC RELIABILITY.—Each electric utility shall adopt or modify policies to ensure that such electric utility incorporates reliable generation into its integrated resource plan to assure the availability of electric energy over a 10-year planning period.

"(B) RELIABLE GENERATION.—For purposes of this paragraph, 'reliable generation' means electric generation facilities with reliability attributes that include—

"(i) operational characteristics that enable the generation of electric energy on a continuous basis;

"(ii) in order to generate electric energy on a continuous basis—

"(I) possession of adequate fuel on-site;

"(II) the operational ability to generate electric energy from more than one fuel source; or

"(III) fuel certainty, through contractual obligations, that ensures adequate fuel supply;

"(iii) operational characteristics that enable the generation of electric energy during emergency and severe weather conditions; and

"(iv) essential reliability services, including frequency support and voltage support, to maintain electric reliability.".

(2) COMPLIANCE.—

(A) TIME LIMITATIONS.—Section 112(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2622(b)) is amended by adding at the end the following:

''(7)(A) Not later than 1 year after the date of enactment of this paragraph, each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) and each nonregulated electric utility shall commence the consideration referred to in section 111, or set a hearing date for consideration, with respect to the standards established by paragraphs (20) and (22) of section 111(d).

''(B) Not later than 2 years after the date of the enactment of this paragraph, each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) and each nonregulated electric utility shall complete the consideration, and shall make the determination, referred to in section 111 with respect to each standard established by paragraphs (20) and (22) of section 111(d).

''(8)(A) Not later than 6 months after the date of enactment of this paragraph, each State regulatory authority (with respect to each electric utility

for which it has ratemaking authority) and each nonregulated electric utility shall commence the consideration referred to in section 111, or set a hearing date for consideration, with respect to the standard established by paragraph (21) of section 111(d).

''(B) Not later than 1 year after the date of enactment of this paragraph, each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) and each nonregulated electric utility shall complete the consideration, and shall make the determination, referred to in section 111 with respect to the standard established by paragraph (21) of section 111(d).''.

(B) FAILURE TO COMPLY.—Section 112(c) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2622(c)) is amended by adding the following at the end: ''In the case of the standards established by paragraphs (20) through (22) of section 111(d), the reference contained in this subsection to the date of enactment of this Act shall be deemed to be a reference to the date of enactment of such paragraphs.''.

(C) PRIOR STATE ACTIONS.—Section 112 of the Public Utility Regulatory Policies Act of

1978 (16 U.S.C. 2622(d)) is amended by adding at the end the following new subsection:

''(g) PRIOR STATE ACTIONS.—Subsections (b) and (c) of this section shall not apply to a standard established by paragraph (20), (21), or (22) of section 111(d) in the case of any electric utility in a State if—

''(1) before the date of enactment of this subsection, the State has implemented for such utility the standard concerned (or a comparable standard);

''(2) the State regulatory authority for such State or relevant nonregulated electric utility has conducted a proceeding to consider implementation of the standard concerned (or a comparable standard) for such utility during the 3-year period ending on the date of enactment of this subsection; or

''(3) the State legislature has voted on the implementation of the standard concerned (or a comparable standard) for such utility during the 3-year period ending on the date of enactment of this subsection.''.

(b) COVERAGE FOR COMPETITIVE MARKETS.—Section 102 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2612) is amended by adding at the end the following:

''(d) The requirements of this title do not apply to the operations of an electric utility, or to proceedings respecting such operations, to the extent that such operations or proceedings relate to the competitive sale of retail electric energy that is unbundled or separated from the regulated provision or sale of distribution service.''.

TITLE II—21ST CENTURY WORKFORCE

SEC. 2101. ENERGY AND MANUFACTURING WORKFORCE DEVELOPMENT.

(a) IN GENERAL.—The Secretary of Energy (in this section referred to as the ''Secretary'') shall establish and carry out a comprehensive program to improve education and training for energy and manufacturing-related jobs in order to increase the number of skilled workers trained to work in energy and manufacturing-related fields, including by—

(1) encouraging underrepresented groups, including religious and ethnic minorities, women, veterans, individuals with disabilities, and socioeconomically disadvantaged individuals to enter into the science, technology, engineering, and mathematics (in this section referred to as ''STEM'') fields;

(2) encouraging the Nation's education system to equip students with the skills, mentorships, training, and technical expertise necessary to fill the employment opportunities vital to managing and operating the Nation's energy and manufacturing industries;

(3) providing students and other candidates for employment with the necessary skills and certifications for skilled, semiskilled, and highly skilled energy and manufacturing-related jobs; and

(4) strengthening and more fully engaging Department of Energy programs and labs in carrying out the Department's Minorities in Energy Initiative.

(b) PRIORITY.—The Secretary shall make educating and training underrepresented groups for energy and manufacturing-related jobs a national priority under the program established under subsection (a).

(c) DIRECT ASSISTANCE.—In carrying out the program established under subsection (a), the Secretary shall provide direct assistance (including financial assistance awards, technical expertise, wraparound services, career coaching, mentorships, internships, and partnerships) to schools, community colleges, workforce development organizations, nonprofit organizations, labor organizations, ap-

prenticeship programs, and minority serving institutions. The Secretary shall distribute direct assistance in a manner proportional to energy and manufacturing industry needs and demand for jobs, consistent with information obtained under subsections (e)(3) and (i).

(d) CLEARINGHOUSE.—In carrying out the program established under subsection (a), the Secretary shall establish a clearinghouse to—

(1) maintain and update information and resources on training and workforce development programs for energy and manufacturing-related jobs; and

(2) act as a resource, and provide guidance, for schools, community colleges, universities (including minority serving institutions), workforce development programs, labor management organizations, and industry organizations that would like to develop and implement energy and manufacturing-related training programs.

(e) COLLABORATION.—In carrying out the program established under subsection (a), the Secretary—

(1) shall collaborate with schools, community colleges, universities (including minority serving institutions), workforce training organizations, national laboratories, unions, State energy offices,

workforce investment boards, and the energy and manufacturing industries;

(2) shall encourage and foster collaboration, mentorships, and partnerships among organizations (including unions, industry, schools, community colleges, workforce development organizations, and colleges and universities) that currently provide effective job training programs in the energy and manufacturing fields and institutions (including schools, community colleges, workforce development programs, and colleges and universities) that seek to establish these types of programs in order to share best practices and approaches that best suit local, State, and national needs; and

(3) shall collaborate with the Bureau of Labor Statistics, the Department of Commerce, the Bureau of the Census, and the energy and manufacturing industries to develop a comprehensive and detailed understanding of the energy and manufacturing workforce needs and opportunities by State and by region, and publish an annual report on energy and manufacturing job creation by the sectors enumerated in subsection (i).

(f) GUIDELINES FOR EDUCATIONAL INSTITUTIONS.—

(1) IN GENERAL.—In carrying out the program established under subsection (a), the Secretary, in collaboration with the Secretary of Education, the Secretary of Commerce, the Secretary of Labor, the National Science Foundation, and industry shall develop voluntary guidelines and best practices for educational institutions of all levels, including for elementary and secondary schools and community colleges and for undergraduate, graduate, and postgraduate university programs, to help provide graduates with the skills necessary to work in energy and manufacturing-related jobs.

(2) INPUT.—The Secretary shall solicit input from the oil, gas, coal, renewable, nuclear, utility, energy-intensive and advanced manufacturing, and pipeline industries in developing guidelines under paragraph (1).

(3) ENERGY AND MANUFACTURING EFFICIENCY AND CONSERVATION INITIATIVES.—The guidelines developed under paragraph (1) shall include grade-specific guidelines for teaching energy and manufacturing efficiency and conservation initiatives to educate students and families.

(4) STEM EDUCATION.—The guidelines developed under paragraph (1) shall promote STEM edu-

cation as it relates to job opportunities in energy and manufacturing-related fields of study in schools, community colleges, and universities nationally.

(g) OUTREACH TO MINORITY SERVING INSTITUTIONS.—In carrying out the program established under subsection (a), the Secretary shall—

(1) give special consideration to increasing outreach to minority serving institutions (including historically black colleges and universities, predominantly black institutions, Hispanic serving institutions, and tribal institutions);

(2) make resources available to minority serving institutions with the objective of increasing the number of skilled minorities and women trained to go into the energy and manufacturing sectors;

(3) encourage industry to improve the opportunities for students of minority serving institutions to participate in industry internships and cooperative work/study programs; and

(4) partner with the Department of Energy laboratories to increase underrepresented groups' participation in internships, fellowships, traineeships, and employment at all Department of Energy laboratories.

(h) OUTREACH TO DISPLACED AND UNEMPLOYED ENERGY AND MANUFACTURING WORKERS.—In carrying out the program established under subsection (a), the Secretary shall—

(1) give special consideration to increasing outreach to employers and job trainers preparing displaced and unemployed energy and manufacturing workers for emerging energy and manufacturing jobs;

(2) make resources available to institutions serving displaced and unemployed energy and manufacturing workers with the objective of training individuals to re-enter the energy and manufacturing workforce; and

(3) encourage the energy and manufacturing industries to improve opportunities for displaced and unemployed energy and manufacturing workers to participate in internships and cooperative work/study programs.

(i) GUIDELINES TO DEVELOP SKILLS FOR AN ENERGY AND MANUFACTURING INDUSTRY WORKFORCE.—In carrying out the program established under subsection (a), the Secretary shall collaborate with representatives from the energy and manufacturing industries (including the oil, gas, coal, nuclear, utility, pipeline, renewable, petro-

chemical, manufacturing, and electrical construction sectors) to identify the areas of highest need in each sector and to develop guidelines for the skills necessary to develop a workforce trained to go into the following sectors of the energy and manufacturing sectors:

(1) Energy efficiency industry, including work in energy efficiency, conservation, weatherization, or retrofitting, or as inspectors or auditors.

(2) Pipeline industry, including work in pipeline construction and maintenance or work as engineers or technical advisors.

(3) Utility industry, including work in the generation, transmission, and distribution of electricity and natural gas, such as utility technicians, operators, lineworkers, engineers, scientists, and information technology specialists.

(4) Alternative fuels, including work in biofuel development and production.

(5) Nuclear industry, including work as scientists, engineers, technicians, mathematicians, or security personnel.

(6) Oil and gas industry, including work as scientists, engineers, technicians, mathematicians, petrochemical engineers, or geologists.

(7) Renewable industry, including work in the development, manufacturing, and production of renewable energy sources (such as solar, hydropower, wind, or geothermal energy).

(8) Coal industry, including work as coal miners, engineers, developers and manufacturers of state-of-the-art coal facilities, technology vendors, coal transportation workers and operators, or mining equipment vendors.

(9) Manufacturing industry, including work as operations technicians, operations and design in additive manufacturing, 3–D printing, advanced composites, and advanced aluminum and other metal alloys, industrial energy efficiency management systems, including power electronics, and other innovative technologies.

(10) Chemical manufacturing industry, including work in construction (such as welders, pipefitters, and tool and die makers) or as instrument and electrical technicians, machinists, chemical process operators, chemical engineers, quality and safety professionals, and reliability engineers.

(j) ENROLLMENT IN TRAINING AND APPRENTICESHIP PROGRAMS.—In carrying out the program established under subsection (a), the Secretary shall work with

industry, organized labor, and community-based workforce organizations to help identify students and other candidates, including from underrepresented communities such as minorities, women, and veterans, to enroll into training and apprenticeship programs for energy and manufacturing-related jobs.

TITLE III—ENERGY SECURITY AND DIPLOMACY

SEC. 3101. SENSE OF CONGRESS.

Congress finds the following:

(1) North America's energy revolution has significantly enhanced energy security in the United States, and fundamentally changed the Nation's energy future from that of scarcity to abundance.

(2) North America's energy abundance has increased global energy supplies and reduced the price of energy for consumers in the United States and abroad.

(3) Allies and trading partners of the United States, including in Europe and Asia, are seeking stable and affordable energy supplies from North America to enhance their energy security.

(4) The United States has an opportunity to improve its energy security and promote greater stability and affordability of energy supplies for its al-

lies and trading partners through a more integrated, secure, and competitive North American energy system.

(5) The United States also has an opportunity to promote such objectives by supporting the free flow of energy commodities and more open, transparent, and competitive global energy markets, and through greater Federal agency coordination relating to regulations or agency actions that significantly affect the supply, distribution, or use of energy.

SEC. 3102. ENERGY SECURITY VALUATION.

(a) ESTABLISHMENT OF ENERGY SECURITY VALUATION METHODS.—Not later than one year after the date of enactment of this Act, the Secretary of Energy, in collaboration with the Secretary of State, shall develop and transmit, after public notice and comment, to the Committee on Energy and Commerce and the Committee on Foreign Affairs of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Foreign Relations of the Senate a report that develops recommended United States energy security valuation methods. In developing the report, the Secretaries may consider the recommendations of the Administration's Quadrennial Energy Review released on April 21, 2015. The report shall—

(1) evaluate and define United States energy security to reflect modern domestic and global energy markets and the collective needs of the United States and its allies and partners;

(2) identify transparent and uniform or coordinated procedures and criteria to ensure that energy-related actions that significantly affect the supply, distribution, or use of energy are evaluated with respect to their potential impact on energy security, including their impact on—

(A) consumers and the economy;

(B) energy supply diversity and resiliency;

(C) well-functioning and competitive energy markets;

(D) United States trade balance; and

(E) national security objectives; and

(3) include a recommended implementation strategy that identifies and aims to ensure that the procedures and criteria referred to in paragraph (2) are—

(A) evaluated consistently across the Federal Government; and

(B) weighed appropriately and balanced with environmental considerations required by Federal law.

(b) PARTICIPATION.—In developing the report referred to in subsection (a), the Secretaries may consult with relevant Federal, State, private sector, and international participants, as appropriate and consistent with applicable law.

SEC. 3103. NORTH AMERICAN ENERGY SECURITY PLAN.

(a) REQUIREMENT.—Not later than one year after the date of enactment of this Act, the Secretary of Energy, in collaboration with the Secretary of State, shall develop and transmit to the Committee on Energy and Commerce and the Committee on Foreign Affairs of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Foreign Relations of the Senate the plan described in subsection (b).

(b) PURPOSE.—The plan referred to in subsection (a) shall include—

(1) a recommended framework and implementation strategy to—

(A) improve planning and coordination with Canada and Mexico to enhance energy integration, strengthen North American energy security, and promote efficiencies in the exploration, production, storage, supply, distribution, marketing, pricing, and regulation of North American energy resources; and

(B) address—

(i) North American energy public data, statistics, and mapping collaboration;

(ii) responsible and sustainable best practices for the development of unconventional oil and natural gas; and

(iii) modern, resilient energy infrastructure for North America, including physical infrastructure as well as institutional infrastructure such as policies, regulations, and practices relating to energy development; and

(2) a recommended framework and implementation strategy to improve collaboration with Caribbean and Central American partners on energy security, including actions to support—

(A) more open, transparent, and competitive energy markets;

(B) regulatory capacity building;

(C) improvements to energy transmission and storage; and

(D) improvements to the performance of energy infrastructure and efficiency.

(c) PARTICIPATION.—In developing the plan referred to in subsection (a), the Secretaries may consult with

other Federal, State, private sector, and international participants, as appropriate and consistent with applicable law.

SEC. 3104. COLLECTIVE ENERGY SECURITY.

(a) IN GENERAL.—The Secretary of Energy and the Secretary of State shall collaborate to strengthen domestic energy security and the energy security of the allies and trading partners of the United States, including through actions that support or facilitate—

(1) energy diplomacy;

(2) the delivery of United States assistance, including energy resources and technologies, to prevent or mitigate an energy security crisis;

(3) the development of environmentally and commercially sustainable energy resources;

(4) open, transparent, and competitive energy markets; and

(5) regulatory capacity building.

(b) ENERGY SECURITY FORUMS.—Not later than one year after date of enactment of this Act, the Secretary of Energy, in collaboration with the Secretary of State, shall convene not less than 2 forums to promote the collective energy security of the United States and its allies and trading partners. The forums shall include participation

by the Secretary of Energy and the Secretary of State. In addition, an invitation shall be extended to—

(1) appropriate representatives of foreign governments that are allies or trading partners of the United States; and

(2) independent experts and industry representatives.

(c) REQUIREMENTS.—The forums shall—

(1) consist of at least one Trans-Atlantic and one Trans-Pacific energy security forum;

(2) be designed to foster dialogue among government officials, independent experts, and industry representatives regarding—

(A) the current state of global energy markets;

(B) trade and investment issues relevant to energy; and

(C) barriers to more open, competitive, and transparent energy markets; and

(3) be recorded and made publically available on the Department of Energy's website, including, not later than 30 days after each forum, publication on the website any significant outcomes.

(d) NOTIFICATION.—At least 30 days before each of the forums referred to in subsection (b), the Secretary of Energy shall send a notification regarding the forum to—

(1) the chair and the ranking minority member of the Committee on Energy and Commerce and the Committee on Foreign Affairs of the House of Representatives; and

(2) the chair and ranking minority member of the Committee on Energy and Natural Resources and the Committee on Foreign Relations of the Senate.

SEC. 3105. STRATEGIC PETROLEUM RESERVE MISSION READINESS PLAN.

Not later than 180 days after date of enactment of this Act, the Secretary of Energy shall conduct a long-range strategic review of the Strategic Petroleum Reserve and develop and transmit to Congress a plan that includes an analysis and implementation schedule that—

(1) specifies near-term and long-term roles of the Strategic Petroleum Reserve relative to United States energy security and economic goals and objectives;

(2) describes existing legal authorities governing the policies, configuration, and capabilities of the Strategic Petroleum Reserve;

(3) identifies Strategic Petroleum Reserve configuration and performance capabilities and recommends an action plan to achieve the optimal—

(A) capacity, location, and composition of petroleum products in the Reserve; and

(B) storage and distributional capabilities; and

(4) estimates the resources required to attain and maintain the Strategic Petroleum Reserve's long-term sustainability and operational effectiveness.

TITLE IV—ENERGY EFFICIENCY AND ACCOUNTABILITY

Subtitle A—Energy Efficiency

CHAPTER 1—FEDERAL AGENCY ENERGY EFFICIENCY

SEC. 4111. ENERGY-EFFICIENT AND ENERGY-SAVING INFORMATION TECHNOLOGIES.

(a) AMENDMENT.—Subtitle C of title V of the Energy Independence and Security Act of 2007 (Public Law 110–140; 121 Stat. 1661) is amended by adding at the end the following:

"SEC. 530. ENERGY-EFFICIENT AND ENERGY-SAVING INFORMATION TECHNOLOGIES.

''(a) DEFINITIONS.—In this section:

''(1) DIRECTOR.—The term 'Director' means the Director of the Office of Management and Budget.

''(2) INFORMATION TECHNOLOGY.—The term 'information technology' has the meaning given that term in section 11101 of title 40, United States Code.

''(b) DEVELOPMENT OF IMPLEMENTATION STRATEGY.—Not later than 1 year after the date of enactment of this section, each Federal agency shall coordinate with the Director, the Secretary, and the Administrator of the Environmental Protection Agency to develop an implementation strategy (that includes best practices and measurement and verification techniques) for the maintenance, purchase, and use by the Federal agency of energy-efficient and energy-saving information technologies, taking into consideration the performance goals established under subsection (d).

''(c) ADMINISTRATION.—In developing an implementation strategy under subsection (b), each Federal agency shall consider—

''(1) advanced metering infrastructure;

''(2) energy-efficient data center strategies and methods of increasing asset and infrastructure utilization;

''(3) advanced power management tools;

''(4) building information modeling, including building energy management;

''(5) secure telework and travel substitution tools; and

''(6) mechanisms to ensure that the agency realizes the energy cost savings brought about through increased efficiency and utilization.

''(d) PERFORMANCE GOALS.—

''(1) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Director, in consultation with the Secretary, shall establish performance goals for evaluating the efforts of Federal agencies in improving the maintenance, purchase, and use of energy-efficient and energy-saving information technology.

''(2) BEST PRACTICES.—The Chief Information Officers Council established under section 3603 of title 44, United States Code, shall recommend best practices for the attainment of the performance goals, which shall include Federal agency consideration of, to the extent applicable by law, the use of—

''(A) energy savings performance contracting; and

''(B) utility energy services contracting.

''(e) REPORTS.—

''(1) AGENCY REPORTS.—Each Federal agency shall include in the report of the agency under section 527 a description of the efforts and results of the agency under this section.

''(2) OMB GOVERNMENT EFFICIENCY REPORTS AND SCORECARDS.—Effective beginning not later than October 1, 2017, the Director shall include in the annual report and scorecard of the Director required under section 528 a description of the efforts and results of Federal agencies under this section.''.

(b) CONFORMING AMENDMENT.—The table of contents for the Energy Independence and Security Act of 2007 is amended by adding after the item relating to section 529 the following:

''Sec. 530. Energy-efficient and energy-saving information technologies.''.

SEC. 4112. ENERGY EFFICIENT DATA CENTERS.

Section 453 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17112) is amended—

(1) in subsection (b)(2)(D)(iv), by striking ''determined by the organization'' and inserting ''proposed by the stakeholders'';

(2) by striking subsection (b)(3); and

(3) by striking subsections (c) through (g) and inserting the following:

''(c) STAKEHOLDER INVOLVEMENT.—The Secretary and the Administrator shall carry out subsection (b) in collaboration with information technology industry and other key stakeholders, with the goal of producing results that accurately reflect the most relevant and useful information available. In such collaboration, the Secretary and the Administrator shall pay particular attention to organizations that—

''(1) have members with expertise in energy efficiency and in the development, operation, and functionality of data centers, information technology equipment, and software, such as representatives of hardware manufacturers, data center operators, and facility managers;

''(2) obtain and address input from Department of Energy National Laboratories or any college, university, research institution, industry association, company, or public interest group with applicable expertise;

''(3) follow—

''(A) commonly accepted procedures for the development of specifications; and

''(B) accredited standards development processes; and

''(4) have a mission to promote energy efficiency for data centers and information technology.

''(d) MEASUREMENTS AND SPECIFICATIONS.—The Secretary and the Administrator shall consider and assess the adequacy of the specifications, measurements, best practices, and benchmarks described in subsection (b) for use by the Federal Energy Management Program, the Energy Star Program, and other efficiency programs of the Department of Energy or the Environmental Protection Agency.

''(e) STUDY.—The Secretary, in collaboration with the Administrator, shall, not later than 18 months after the date of enactment of the North American Energy Security and Infrastructure Act of 2015, make available to the public an update to the Report to Congress on Server and Data Center Energy Efficiency published on August 2, 2007, under section 1 of Public Law 109–431 (120 Stat. 2920), that provides—

''(1) a comparison and gap analysis of the estimates and projections contained in the original report with new data regarding the period from 2008 through 2015;

''(2) an analysis considering the impact of information technologies, including virtualization and cloud computing, in the public and private sectors;

''(3) an evaluation of the impact of the combination of cloud platforms, mobile devices, social media, and big data on data center energy usage;

''(4) an evaluation of water usage in data centers and recommendations for reductions in such water usage; and

''(5) updated projections and recommendations for best practices through fiscal year 2020.

''(f) DATA CENTER ENERGY PRACTITIONER PROGRAM.—The Secretary, in collaboration with key stakeholders and the Director of the Office of Management and Budget, shall maintain a data center energy practitioner program that leads to the certification of energy practitioners qualified to evaluate the energy usage and efficiency opportunities in Federal data centers. Each Federal agency shall consider having the data centers of the agency evaluated every 4 years, in accordance with section 543(f) of the National Energy Conservation Policy Act (42 U.S.C. 8253), by energy practitioners certified pursuant to such program.

''(g) OPEN DATA INITIATIVE.—The Secretary, in collaboration with key stakeholders and the Director of the Office of Management and Budget, shall establish an open data initiative for Federal data center energy usage data, with the purpose of making such data available and acces-

sible in a manner that encourages further data center innovation, optimization, and consolidation. In establishing the initiative, the Secretary shall consider the use of the online Data Center Maturity Model.

''(h) INTERNATIONAL SPECIFICATIONS AND METRICS.—The Secretary, in collaboration with key stakeholders, shall actively participate in efforts to harmonize global specifications and metrics for data center energy and water efficiency.

''(i) DATA CENTER UTILIZATION METRIC.—The Secretary, in collaboration with key stakeholders, shall facilitate the development of an efficiency metric that measures the energy efficiency of a data center (including equipment and facilities).

''(j) PROTECTION OF PROPRIETARY INFORMATION.—The Secretary and the Administrator shall not disclose any proprietary information or trade secrets provided by any individual or company for the purposes of carrying out this section or the programs and initiatives established under this section.''.

SEC. 4113. REPORT ON ENERGY AND WATER SAVINGS POTENTIAL FROM THERMAL INSULATION.

(a) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Energy, in consultation with appropriate Federal agencies and relevant

stakeholders, shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on the impact of thermal insulation on both energy and water use systems for potable hot and chilled water in Federal buildings, and the return on investment of installing such insulation.

(b) CONTENTS.—The report shall include—

(1) an analysis based on the cost of municipal or regional water for delivered water and the avoided cost of new water; and

(2) a summary of energy and water savings, including short-term and long-term (20 years) projections of such savings.

SEC. 4114. FEDERAL PURCHASE REQUIREMENT.

Section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)) is amended by striking paragraph (2) and inserting the following:

''(2) RENEWABLE ENERGY.—The term 'renewable energy' means electric energy, or thermal energy if resulting from a thermal energy project placed in service after December 31, 2014, generated from, or avoided by, solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, municipal solid waste

(other than commonly recycled paper that is segregated from solid waste), qualified waste heat resource, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project.

''(3) QUALIFIED WASTE HEAT RESOURCE.—The term 'qualified waste heat resource' means—

''(A) exhaust heat or flared gas from any industrial process;

''(B) waste gas or industrial tail gas that would otherwise be flared, incinerated, or vented;

''(C) a pressure drop in any gas for an industrial or commercial process; or

''(D) such other forms of waste heat as the Secretary determines appropriate.''.

CHAPTER 2—ENERGY EFFICIENT TECHNOLOGY AND MANUFACTURING

SEC. 4121. INCLUSION OF SMART GRID CAPABILITY ON ENERGY GUIDE LABELS.

Section 324(a)(2) of the Energy Policy and Conservation Act (42 U.S.C. 6294(a)(2)) is amended by adding the following at the end:

''(J)(i) Not later than 1 year after the date of enactment of this subparagraph, the Com-

mission shall initiate a rulemaking to consider making a special note in a prominent manner on any Energy Guide label for any product that includes Smart Grid capability that—

''(I) Smart Grid capability is a feature of that product;

''(II) the use and value of that feature depend on the Smart Grid capability of the utility system in which the product is installed and the active utilization of that feature by the customer; and

''(III) on a utility system with Smart Grid capability, the use of the product's Smart Grid capability could reduce the customer's cost of the product's annual operation as a result of the incremental energy and electricity cost savings that would result from the customer taking full advantage of such Smart Grid capability.

''(ii) Not later than 3 years after the date of enactment of this subparagraph, the Commission shall complete the rulemaking initiated under clause (i).''.

SEC. 4122. VOLUNTARY VERIFICATION PROGRAMS FOR AIR CONDITIONING, FURNACE, BOILER, HEAT PUMP, AND WATER HEATER PRODUCTS.

Section 326(b) of the Energy Policy and Conservation Act (42 U.S.C. 6296(b)) is amended by adding at the end the following:

''(6) VOLUNTARY VERIFICATION PROGRAMS FOR AIR CONDITIONING, FURNACE, BOILER, HEAT PUMP, AND WATER HEATER PRODUCTS.—

''(A) RELIANCE ON VOLUNTARY PROGRAMS.—For the purpose of verifying compliance with energy conservation standards and Energy Star specifications established under sections 324A, 325, and 342 for covered products described in paragraphs (3), (4), (5), (9), and (11) of section 322(a) and covered equipment described in subparagraphs (B), (C), (D), (F), (I), (J), and (K) of section 340(1), the Secretary and the Administrator of the Environmental Protection Agency shall rely on testing conducted by recognized voluntary verification programs that are recognized by the Secretary in accordance with subparagraph (B).

''(B) RECOGNITION OF VOLUNTARY VERIFICATION PROGRAMS.—

''(i) IN GENERAL.—Not later than 180 days after the date of enactment of this para-

graph, the Secretary shall initiate a negotiated rulemaking in accordance with subchapter III of chapter 5 of title 5, United States Code (commonly known as the 'Negotiated Rulemaking Act of 1990') to develop criteria that have consensus support for achieving recognition by the Secretary as an approved voluntary verification program. Any subsequent amendment to such criteria may be made only pursuant to a subsequent negotiated rulemaking in accordance with subchapter III of chapter 5 of title 5, United States Code.

''(ii) MINIMUM REQUIREMENTS.—The criteria developed under clause (i) shall, at a minimum, ensure that a voluntary verification program—

''(I) is nationally recognized;

''(II) is operated by a third party and not directly operated by a program participant;

''(III) satisfies any applicable elements of—

''(aa) International Organization for Standardization standard numbered 17025; and

''(bb) any other relevant International Organization for Standardization standards identified and agreed to through the negotiated rulemaking under clause (i);

''(IV) at least annually tests independently obtained products following the test procedures established under this title to verify the certified rating of a representative sample of products and equipment within the scope of the program;

''(V) maintains a publicly available list of all ratings of products subject to verification;

''(VI) requires the changing of the performance rating or removal of the product or equipment from the program if testing determines that the performance rating does not meet the levels the manufacturer has certified to the Secretary;

''(VII) requires new program participants to substantiate ratings through test data generated in accordance with Department of Energy regulations;

''(VIII) allows for challenge testing of products and equipment within the scope of the program;

''(IX) requires program participants to disclose the performance rating of all covered products and equipment within the scope of the program for the covered product or equipment;

''(X) provides to the Secretary—

''(aa) an annual report of all test results, the contents of which shall be determined through the negotiated rulemaking process under clause (i); and

''(bb) test reports, on the request of the Secretary or the Administrator of the Environmental Protection Agency, that note any instructions specified by the manufacturer or the representative of the manufacturer for the purpose of conducting the verification testing, to be exempted from disclosure under section 552(b)(4) of title 5, United States Code; and

''(XI) satisfies any additional requirements or standards that the Secretary and Administrator of the Environmental Protection Agency shall establish consistent with this subparagraph.

''(iii) CESSATION OF RECOGNITION.—The Secretary may only cease recognition of a voluntary verification program as an approved program described in subparagraph (A) upon a finding that the program is not meeting its obligations for compliance through program review criteria developed during the negotiated rulemaking conducted under subparagraph (B).

''(C) ADMINISTRATION.—

''(i) IN GENERAL.—The Secretary and the Administrator of the Environmental Protection Agency shall not require—

''(I) manufacturers to participate in a recognized voluntary verification program described in subparagraph (A); or

''(II) participating manufacturers to provide information that has already been provided to the Secretary or the Administrator.

''(ii) LIST OF COVERED PRODUCTS.—The Secretary or the Administrator of the Environmental Protection Agency may maintain a publicly available list of covered products and equipment that distinguishes between products that are and are not covered products and equipment verified through a recognized voluntary verification program described in subparagraph (A).

''(iii) PERIODIC VERIFICATION TESTING.—The Secretary—

''(I) shall not subject products or equipment that have been verification tested under a recognized voluntary verification program described in subparagraph (A) to periodic verification testing to verify the accuracy of the certified performance rating of the products or equipment; but

''(II) may require testing of products or equipment described in subclause (I)—

''(aa) if the testing is necessary—

''(AA) to assess the overall performance of a voluntary verification program;

''(BB) to address specific performance issues;

''(CC) for use in updating test procedures and standards; or

''(DD) for other purposes consistent with this title; or

''(bb) if such testing is agreed to during the negotiated rulemaking conducted under subparagraph (B).

''(D) EFFECT ON OTHER AUTHORITY.—Nothing in this paragraph limits the authority of the Secretary or the Administrator of the Environmental Protection Agency to enforce compliance with any law.''.

SEC. 4123. FACILITATING CONSENSUS FURNACE STANDARDS.

(a) CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.—

(1) FINDINGS.—Congress finds that—

(A) acting pursuant to the requirements of section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295), the Secretary of En-

ergy is considering amending the energy conservation standards applicable to residential non-weatherized gas furnaces and mobile home gas furnaces;

(B) numerous stakeholders, representing manufacturers, distributors, and installers of residential non-weatherized gas furnaces and mobile home furnaces, natural gas utilities, home builders, multifamily property owners, and energy efficiency, environmental, and consumer advocates have begun negotiations in an attempt to agree on a consensus recommendation to the Secretary on levels for such standards that will meet the statutory criteria; and

(C) the stakeholders believe these negotiations are likely to result in a consensus recommendation, but several of the stakeholders do not support suspending the current rulemaking.

(2) PURPOSE.—It is the purpose of this section to provide the stakeholders described in paragraph (1) with an opportunity to continue negotiations for a limited time period to facilitate the proposal for adoption of standards that enjoy consensus support,

while not delaying the current rulemaking except to the extent necessary to provide such opportunity.

(b) OPPORTUNITY FOR A NEGOTIATED FURNACE STANDARD.—Section 325(f)(4) of the Energy Policy and Conservation Act (42 U.S.C. 6295(f)(4)) is amended by adding after subparagraph (D) the following:

''(E)(i) Unless the Secretary has published such a notice prior to the date of enactment of this Act, the Secretary shall publish, not later than October 31, 2015, a supplemental notice of proposed rulemaking or a notice of data availability updating the proposed rule entitled 'Energy Conservation Program for Consumer Products: Energy Conservation Standards for Residential Furnaces' and published in the Federal Register on March 12, 2015 (80 Fed. Reg. 13119), to provide notice and an opportunity for comment on—

''(I) dividing non-weatherized natural gas furnaces into two or more product classes with separate energy conservation standards based on capacity; and

''(II) any other matters the Secretary determines appropriate.

''(ii) On receipt of a statement that is submitted on or before January 1, 2016, jointly by interested persons that are fairly representative of relevant points of view,

that contains recommended standards for non-weatherized natural gas furnaces and mobile home gas furnaces that are consistent with the requirements of this part (except that the date on which such standards will apply may be earlier or later than the date required under this part), the Secretary shall evaluate the standards proposed in the joint statement for consistency with the requirements of subsection (o), and shall publish notice of the potential adoption of the standards proposed in the joint statement, modified as necessary to ensure consistency with subsection (o). The Secretary shall solicit public comment for a period of at least 30 days with respect to such notice.

''(iii) Not later than July 31, 2016, but not before July 1, 2016, the Secretary shall publish a final rule containing a determination of whether the standards for non-weatherized natural gas furnaces and mobile home gas furnaces should be amended. Such rule shall contain any such amendments to the standards.''.

SEC. 4124. FUTURE OF INDUSTRY PROGRAM.

(a) IN GENERAL.—Section 452 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111) is amended by striking the section heading and inserting the following: ''**FUTURE OF INDUSTRY PROGRAM**''.

(b) DEFINITION OF ENERGY SERVICE PROVIDER.—Section 452(a) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111(a)) is amended—

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

(2) by inserting after paragraph (2):

''(3) ENERGY SERVICE PROVIDER.—The term 'energy service provider' means any business providing technology or services to improve the energy efficiency, water efficiency, power factor, or load management of a manufacturing site or other industrial process in an energy-intensive industry, or any utility operating under a utility energy service project.''.

(c) INDUSTRIAL RESEARCH AND ASSESSMENT CENTERS.—Section 452(e) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111(e)) is amended—

(1) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively, and indenting appropriately;

(2) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(3) in subparagraph (A) (as redesignated by paragraph (1)), by inserting before the semicolon at

the end the following: ", including assessments of sustainable manufacturing goals and the implementation of information technology advancements for supply chain analysis, logistics, system monitoring, industrial and manufacturing processes, and other purposes"; and

(4) by adding at the end the following:

"(2) COORDINATION.—To increase the value and capabilities of the industrial research and assessment centers, the centers shall—

"(A) coordinate with Manufacturing Extension Partnership Centers of the National Institute of Standards and Technology;

"(B) coordinate with the Building Technologies Office of the Department of Energy to provide building assessment services to manufacturers;

"(C) increase partnerships with the National Laboratories of the Department of Energy to leverage the expertise and technologies of the National Laboratories for national industrial and manufacturing needs; and

"(D) increase partnerships with energy service providers and technology providers to leverage private sector expertise and accelerate

deployment of new and existing technologies and processes for energy efficiency, power factor, and load management.

''(3) OUTREACH.—The Secretary shall provide funding for—

''(A) outreach activities by the industrial research and assessment centers to inform small and medium-sized manufacturers of the information, technologies, and services available; and

''(B) coordination activities by each industrial research and assessment center to leverage efforts with—

''(i) Federal and State efforts;

''(ii) the efforts of utilities and energy service providers;

''(iii) the efforts of regional energy efficiency organizations; and

''(iv) the efforts of other industrial research and assessment centers.

''(4) SMALL BUSINESS LOANS.—The Administrator of the Small Business Administration shall, to the maximum extent practicable, expedite consideration of applications from eligible small business concerns for loans under the Small Business Act (15

U.S.C. 631 et seq.) to implement recommendations of industrial research and assessment centers established under paragraph (1).''.

(d) CONFORMING AMENDMENT.—The item relating to section 452 in the table of contents for the Energy Independence and Security Act of 2007 is amended to read as follows:

''Sec. 452. Future of Industry program.''.

CHAPTER 3—ENERGY PERFORMANCE CONTRACTING

SEC. 4131. USE OF ENERGY AND WATER EFFICIENCY MEASURES IN FEDERAL BUILDINGS.

(a) ENERGY MANAGEMENT REQUIREMENTS.—Section 543(f)(4) of the National Energy Conservation Policy Act (42 U.S.C. 8253(f)(4)) is amended—

(1) by moving the margins of subparagraphs (A) and (B) 2 ems to the right and redesignating such subparagraphs as clauses (i) and (ii), respectively;

(2) by striking ''Not later than'' and inserting the following:

''(A) IN GENERAL.—Not later than''; and

(3) by adding at the end the following new subparagraph:

''(B) MEASURES NOT IMPLEMENTED.—Each energy manager, as part of the certifi-

cation system under paragraph (7) and using guidelines developed by the Secretary, shall provide an explanation regarding any life-cycle cost-effective measures described in subparagraph (A)(i) that have not been implemented.''.

(b) REPORTS.—Section 548(b) of the National Energy Conservation Policy Act (42 U.S.C. 8258(b)) is amended—

(1) in paragraph (3), by striking ''and'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(5) the status of each agency's energy savings performance contracts and utility energy service contracts, the investment value of such contracts, the guaranteed energy savings for the previous year as compared to the actual energy savings for the previous year, the plan for entering into such contracts in the coming year, and information explaining why any previously submitted plans for such contracts were not implemented.''.

(c) FEDERAL ENERGY MANAGEMENT DEFINITIONS.—Section 551(4) of the National Energy Conserva-

tion Policy Act (42 U.S.C. 8259(4)) is amended by striking ''or retrofit activities'' and inserting ''retrofit activities, or energy consuming devices and required support structures''.

(d) AUTHORITY TO ENTER INTO CONTRACTS.—Section 801(a)(2)(F) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)(2)(F)) is amended—

(1) in clause (i), by striking ''or'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following new clause:

''(iii) limit the recognition of operation and maintenance savings associated with systems modernized or replaced with the implementation of energy conservation measures, water conservation measures, or any series of energy conservation measures and water conservation measures.''.

(e) MISCELLANEOUS AUTHORITY.—Section 801(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)) is amended by adding at the end the following:

''(H) MISCELLANEOUS AUTHORITY.—Notwithstanding any other provision of law, a Fed-

eral agency may sell or transfer energy savings and apply the proceeds of such sale or transfer to fund a contract under this title.''.

(f) PAYMENT OF COSTS.—Section 802 of the National Energy Conservation Policy Act (42 U.S.C. 8287a) is amended by striking ''(and related operation and maintenance expenses)'' and inserting '', including related operations and maintenance expenses''.

(g) ENERGY SAVINGS PERFORMANCE CONTRACTS DEFINITIONS.—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended—

(1) in subparagraph (A), by striking ''federally owned building or buildings or other federally owned facilities'' and inserting ''Federal building (as defined in section 551 (42 U.S.C. 8259))'' each place it appears;

(2) in subparagraph (C), by striking ''; and'' and inserting a semicolon;

(3) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new subparagraphs:

''(E) the use, sale, or transfer of energy incentives, rebates, or credits (including renew-

able energy credits) from Federal, State, or local governments or utilities; and

''(F) any revenue generated from a reduction in energy or water use, more efficient waste recycling, or additional energy generated from more efficient equipment.''.

CHAPTER 4—SCHOOL BUILDINGS

SEC. 4141. COORDINATION OF ENERGY RETROFITTING ASSISTANCE FOR SCHOOLS.

Section 392 of the Energy Policy and Conservation Act (42 U.S.C. 6371a) is amended by adding at the end the following:

''(e) COORDINATION OF ENERGY RETROFITTING ASSISTANCE FOR SCHOOLS.—

''(1) DEFINITION OF SCHOOL.—Notwithstanding section 391(6), for the purposes of this subsection, the term 'school' means—

''(A) an elementary school or secondary school (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801));

''(B) an institution of higher education (as defined in section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)));

''(C) a school of the defense dependents' education system under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.) or established under section 2164 of title 10, United States Code;

''(D) a school operated by the Bureau of Indian Affairs;

''(E) a tribally controlled school (as defined in section 5212 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2511)); and

''(F) a Tribal College or University (as defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b))).

''(2) ESTABLISHMENT OF CLEARINGHOUSE.—The Secretary, acting through the Office of Energy Efficiency and Renewable Energy, shall establish a clearinghouse to disseminate information regarding available Federal programs and financing mechanisms that may be used to help initiate, develop, and finance energy efficiency, distributed generation, and energy retrofitting projects for schools.

''(3) REQUIREMENTS.—In carrying out paragraph (2), the Secretary shall—

''(A) consult with appropriate Federal agencies to develop a list of Federal programs

and financing mechanisms that are, or may be, used for the purposes described in paragraph (2); and

''(B) coordinate with appropriate Federal agencies to develop a collaborative education and outreach effort to streamline communications and promote available Federal programs and financing mechanisms described in subparagraph (A), which may include the development and maintenance of a single online resource that includes contact information for relevant technical assistance in the Office of Energy Efficiency and Renewable Energy that States, local education agencies, and schools may use to effectively access and use such Federal programs and financing mechanisms.''.

Subtitle B—Accountability

CHAPTER 1—MARKET MANIPULATION, ENFORCEMENT, AND COMPLIANCE

SEC. 4211. FERC OFFICE OF COMPLIANCE ASSISTANCE AND PUBLIC PARTICIPATION.

Section 319 of the Federal Power Act (16 U.S.C. 825q–1) is amended to read as follows:

"SEC. 319. OFFICE OF COMPLIANCE ASSISTANCE AND PUBLIC PARTICIPATION.

"(a) ESTABLISHMENT.—There is established within the Commission an Office of Compliance Assistance and Public Participation (referred to in this section as the 'Office'). The Office shall be headed by a Director.

"(b) DUTIES OF DIRECTOR.—

"(1) IN GENERAL.—The Director of the Office shall promote improved compliance with Commission rules and orders by—

"(A) making recommendations to the Commission regarding—

"(i) the protection of consumers;

"(ii) market integrity and support for the development of responsible market behavior;

"(iii) the application of Commission rules and orders in a manner that ensures that—

"(I) rates and charges for, or in connection with, the transmission or sale of electric energy subject to the jurisdiction of the Commission shall be just and reasonable and not unduly discriminatory or preferential; and

''(II) markets for such transmission and sale of electric energy are not impaired and consumers are not damaged; and

''(iv) the impact of existing and proposed Commission rules and orders on small entities, as defined in section 601 of title 5, United States Code (commonly known as the Regulatory Flexibility Act);

''(B) providing entities subject to regulation by the Commission the opportunity to obtain timely guidance for compliance with Commission rules and orders; and

''(C) providing information to the Commission and Congress to inform policy with respect to energy issues under the jurisdiction of the Commission.

''(2) REPORTS AND GUIDANCE.—The Director shall, as the Director determines appropriate, issue reports and guidance to the Commission and to entities subject to regulation by the Commission, regarding market practices, proposing improvements in Commission monitoring of market practices, and addressing potential improvements to both industry and Commission practices.

''(3) OUTREACH.—The Director shall promote improved compliance with Commission rules and orders through outreach, publications, and, where appropriate, direct communication with entities regulated by the Commission.''.

CHAPTER 2—MARKET REFORMS

SEC. 4221. GAO STUDY ON WHOLESALE ELECTRICITY MARKETS.

(a) STUDY AND REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report describing the results of a study of whether and how the current market rules, practices, and structures of each regional transmission entity produce rates that are just and reasonable by—

(1) facilitating fuel diversity, the availability of generation resources during emergency and severe weather conditions, resource adequacy, and reliability, including the cost-effective retention and development of needed generation;

(2) promoting the equitable treatment of business models, including different utility types, the in-

tegration of diverse generation resources, and advanced grid technologies;

(3) identifying and addressing regulatory barriers to entry, market-distorting incentives, and artificial constraints on competition;

(4) providing transparency regarding dispatch decisions, including the need for out-of-market actions and payments, and the accuracy of day-ahead unit commitments;

(5) facilitating the development of necessary natural gas pipeline and electric transmission infrastructure;

(6) ensuring fairness and transparency in governance structures and stakeholder processes, including meaningful participation by both voting and non-voting stakeholder representatives;

(7) ensuring the proper alignment of the energy and transmission markets by including both energy and financial transmission rights in the day-ahead markets;

(8) facilitating the ability of load-serving entities to self-supply their service territory load;

(9) considering, as appropriate, State and local resource planning; and

(10) mitigating, to the extent practicable, the disruptive effects of tariff revisions on the economic decision-making of market participants.

(b) DEFINITIONS.—In this section:

(1) LOAD-SERVING ENTITY.—The term ''load-serving entity'' has the meaning given that term in section 217 of the Federal Power Act (16 U.S.C. 824q).

(2) REGIONAL TRANSMISSION ENTITY.—The term ''regional transmission entity'' means a Regional Transmission Organization or an Independent System Operator, as such terms are defined in section 3 of the Federal Power Act (16 U.S.C. 796).