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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. 3607

To amend the Energy Policy Act of 2005 to direct Federal research in fossil energy and to promote the development and demonstration of environmentally responsible coal and natural gas technologies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To amend the Energy Policy Act of 2005 to direct Federal research in fossil energy and to promote the development and demonstration of environmentally responsible coal and natural gas technologies, 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 ''Fossil Energy Research and Development Act of 2019''.

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

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) DEPARTMENT.—The term ''Department'' means the Department of Energy.

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

SEC. 3. FOSSIL ENERGY OBJECTIVES.

Section 961 of the Energy Policy Act of 2005 (42 U.S.C. 16291) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2) and inserting the following:

''(2) Decreasing the cost of emissions control technologies for fossil energy production, generation, and delivery.'';

(B) by striking paragraph (7) and inserting the following:

''(7) Increasing the export of emissions control technologies from the United States for fossil energy-related equipment, technology, and services.''; and

(C) by adding at the end the following:

''(8) Improving the conversion, use, and storage of carbon oxides.

''(9) Lowering greenhouse gas emissions for all fossil fuel production, generation, delivery, and utilization, to the maximum extent possible.

''(10) Preventing, predicting, monitoring, and mitigating the unintended leaking of methane, carbon dioxide, or other fossil fuel-related emissions into the atmosphere.

''(11) Reducing water use, improving water reuse, and minimizing the surface and subsurface environmental impact in the development of unconventional domestic oil and natural gas resources.

''(12) Developing carbon removal and utilization technologies, products, and methods that result in net reductions in greenhouse gas emissions, including direct air capture and storage and carbon use and reuse for commercial application.'';

(2) in subsection (b), by striking paragraphs (1) through (3) and inserting the following:

''(1) $825,000,000 for fiscal year 2020;

''(2) $866,250,000 for fiscal year 2021;

''(3) $909,563,000 for fiscal year 2022;

''(4) $955,041,000 for fiscal year 2023; and

''(5) $1,002,793,000 for fiscal year 2024.''; and

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

''(c) PRIORITIZATION.—In carrying out this section, the Secretary shall prioritize technologies and strategies that have the potential to meet emissions reduction goals in the agreement of the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change.

''(d) LIMITATION.—None of the funds authorized under this section may be used for Fossil Energy Environmental Restoration or Import/Export Authorization.''.

SEC. 4. CARBON CAPTURE TECHNOLOGIES.

(a) CARBON CAPTURE PROGRAM.—Section 962 of the Energy Policy Act of 2005 (42 U.S.C. 16292) is amended to read as follows:

''SEC. 962. CARBON CAPTURE TECHNOLOGIES.

''(a) IN GENERAL.—The Secretary shall conduct a program of research, development, demonstration, and commercial application of carbon capture technologies,

which shall include facilitation of the development and use of—

''(1) carbon capture technologies for coal and natural gas;

''(2) innovations to significantly decrease emissions at existing power plants; and

''(3) advanced separation technologies.

''(b) INVESTMENT.—As a part of the program under subsection (a), the Secretary shall maintain robust investments in carbon capture technologies for coal and natural gas applications.

''(c) LARGE-SCALE PILOTS.—In carrying out this section, the Secretary is encouraged to support pilot projects that test carbon capture technologies on coal and natural gas power and industrial systems below the 100 megawatt scale, consistent with section 988(b).

''(d) COST AND PERFORMANCE GOALS.—In carrying out the program under subsection (a), the Secretary shall establish cost and performance goals to assist in the transition of carbon capture research to commercially viable technologies.

''(e) CARBON CAPTURE PILOT TEST CENTERS.—

''(1) IN GENERAL.—As a part of the program under subsection (a), not later than 1 year after the date of the enactment of the Fossil Energy Research

and Development Act of 2019, the Secretary shall award grants to eligible entities for the operation of not less than three Carbon Capture Test Centers (in this subsection, known as the 'Centers') to provide unique testing capabilities for innovative carbon capture technologies for power and industrial systems.

''(2) PURPOSE.—Each Center shall—

''(A) advance research, development, demonstration, and commercial application of carbon capture technologies for power and industrial systems; and

''(B) test technologies that represent the scale of technology development beyond laboratory testing, but not yet advanced to testing under operational conditions at commercial scale.

''(3) APPLICATION.—An entity seeking to operate a Center under this subsection shall submit to the Secretary an application at such time and in such manner as the Secretary may require.

''(4) PRIORITY CRITERIA.—In selecting applications to operate a Center under this subsection, the Secretary shall prioritize applicants that—

''(A) have access to existing or planned research facilities with modular technology capabilities;

''(B) are institutions of higher education with established expertise in engineering and design for carbon capture technologies, or partnerships with such institutions;

''(C) have access to existing research and test facilities for pre-combustion, post-combustion, or oxy-combustion technologies; or

''(D) have test capabilities to address scaling challenges of integrating carbon capture technologies with utility scale power plants.

''(5) CONSIDERATIONS.—In awarding grants for the operation of the Centers under this subsection, the Secretary shall ensure that—

''(A) the portfolio of Centers includes a diverse representation of regional and resource characteristics; and

''(B) each new Center demonstrates unique research capabilities, unique regional benefits, or new technology development opportunities.

''(6) SCHEDULE.—Each grant to operate a Center under this subsection shall be awarded for a term of not more than 5 years, subject to the avail-

ability of appropriations. The Secretary may renew such 5-year term without limit, subject to a rigorous merit review.

''(7) TERMINATION.—To the extent otherwise authorized by law, the Secretary may eliminate a Center during any 5-year term described in paragraph (6) if such Center is underperforming.

''(f) DEMONSTRATIONS.—

''(1) IN GENERAL.—As a part of the program under subsection (a), the Secretary may provide grants for large-scale demonstration projects for power and industrial systems that test the scale of technology necessary to gain the operational data needed to understand the technical and performance risks of the technology before the application of the technology at commercial scale, in accordance with this subsection.

''(2) ENGINEERING AND DESIGN STUDIES.—The Secretary is authorized to fund front-end engineering and design studies in addition to, or in advance of, issuing an award for a demonstration project under this subsection.

''(3) APPLICATION.—An entity seeking an award to conduct a demonstration project under this subsection shall submit to the Secretary an applica-

tion at such time and in such manner as the Secretary may require.

''(4) LIMITATIONS.—The Secretary shall only provide an award under this subsection after reviewing each applicant and application regarding—

''(A) financial strength;

''(B) construction schedule;

''(C) market risk; and

''(D) contractor history.

''(5) REQUIREMENTS.—A demonstration project funded under this subsection shall—

''(A) utilize technologies that have completed pilot-scale testing or the equivalent, as determined by the Secretary;

''(B) secure and maintain agreements for the utilization or sequestration of captured carbon dioxide; and

''(C) upon completion, demonstrate carbon capture technologies on a power or industrial system capable of capturing not less than 100,000 tons of carbon dioxide annually.

''(g) DEFINITION OF POWER SYSTEM.—In this section, the term 'power system' means any electricity generating unit that utilizes fossil fuels to generate electricity provided to the electric grid or directly to a consumer.

''(h) AUTHORIZATION OF APPROPRIATIONS.—For activities under this section, there are authorized to be appropriated to the Secretary—

''(1) $300,000,000 for fiscal year 2020;

''(2) $315,000,000 for fiscal year 2021;

''(3) $330,750,000 for fiscal year 2022;

''(4) $347,288,000 for fiscal year 2023; and

''(5) $364,652,000 for fiscal year 2024.''.

(b) GAO STUDY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the results of a study of the Department's successes, failures, practices, and improvements in carrying out demonstration projects for carbon capture technologies for power and industrial systems. In conducting the study, the Comptroller General shall consider—

(A) applicant and contractor qualifications;

(B) project management practices at the Department;

(C) economic or market changes and other factors impacting project viability;

(D) completion of third-party agreements, including power purchase agreements and carbon dioxide offtake agreements;

(E) regulatory challenges; and

(F) construction challenges.

(2) CONSIDERATION.—The Secretary shall consider any relevant recommendations, as determined by the Secretary, provided in the report required under paragraph (1), and shall adopt such recommendations as the Secretary considers appropriate.

(3) POWER SYSTEM DEFINED.—In this section, the term ''power system'' means any electricity generating unit that utilizes fossil fuels to generate electricity provided to the electric grid or directly to a consumer.

SEC. 5. CARBON STORAGE VALIDATION AND TESTING.

Section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293) is amended to read as follows:

''SEC. 963. CARBON STORAGE VALIDATION AND TESTING.

''(a) CARBON STORAGE.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall carry out a program of research, devel-

opment, and demonstration for carbon storage. The program shall—

''(1) in coordination with relevant Federal agencies, develop and maintain mapping tools and resources that assess the capacity of geologic storage formations in the United States;

''(2) develop monitoring tools, modeling of geologic formations, and analyses to predict and verify carbon dioxide containment and account for sequestered carbon dioxide in geologic storage sites;

''(3) research potential environmental, safety, and health impacts in the event of a leak to the atmosphere or to an aquifer, and any corresponding mitigation actions or responses to limit harmful consequences;

''(4) evaluate the interactions of carbon dioxide with formation solids and fluids, including the propensity of injections to induce seismic activity;

''(5) assess and ensure the safety of operations related to geologic sequestration of carbon dioxide;

''(6) determine the fate of carbon dioxide concurrent with and following injection into geologic formations;

''(7) support cost and business model assessments to examine the economic viability of tech-

nologies and systems developed under this program; and

''(8) provide information to State, local, and Tribal governments, the Environmental Protection Agency, and other appropriate entities, to support development of a regulatory framework for commercial-scale sequestration operations that ensure the protection of human health and the environment.

''(b) GEOLOGIC SETTINGS.—In carrying out research activities under this section, the Secretary shall consider a variety of candidate geologic settings, both onshore and offshore, including—

''(1) operating oil and gas fields;

''(2) depleted oil and gas fields;

''(3) residual oil zones;

''(4) unconventional reservoirs and rock types;

''(5) unmineable coal seams;

''(6) saline formations in both sedimentary and basaltic geologies;

''(7) geologic systems that may be used as engineered reservoirs to extract economical quantities of brine from geothermal resources of low permeability or porosity; and

''(8) geologic systems containing in situ carbon dioxide mineralization formations.

''(c) REGIONAL CARBON SEQUESTRATION PARTNERSHIPS.—

''(1) IN GENERAL.—The Secretary shall carry out large-scale carbon sequestration demonstrations for geologic containment of carbon dioxide to collect and validate information on the cost and feasibility of commercial deployment of technologies for the geologic containment of carbon dioxide. The Secretary may fund new demonstrations or expand the work completed at one or more of the existing regional carbon sequestration partnerships.

''(2) DEMONSTRATION COMPONENTS.—Each demonstration described in paragraph (1) shall include longitudinal tests involving carbon dioxide injection and monitoring, mitigation, and verification operations.

''(3) CLEARINGHOUSE.—The National Energy Technology Laboratory shall act as a clearinghouse of shared information and resources for the regional carbon sequestration partnerships and any new demonstrations funded under this section.

''(4) REPORT.—Not later than 1 year after the date of enactment of the Fossil Energy Research and Development Act of 2019, the Secretary shall provide to the Committee on Science, Space, and

Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report that—

"(A) assesses the progress of all regional carbon sequestration partnerships;

"(B) identifies the remaining challenges in achieving carbon sequestration that is reliable and safe for the environment and public health; and

"(C) creates a roadmap for Department of Energy carbon storage research and development activities through 2030 with the goal of reducing economic and policy barriers to commercial carbon sequestration.

"(5) LARGE-SCALE CARBON SEQUESTRATION.—For purposes of this subsection, 'large-scale carbon sequestration' means a scale that demonstrates the ability to inject and sequester several million metric tons carbon dioxide for at least 10 years.

"(d) INTEGRATED STORAGE PROJECTS.—The Secretary may carry out a program for the purpose of transitioning the large-scale carbon sequestration demonstration projects under subsection (c) into integrated, commercial storage complexes. The program shall focus on—

''(1) qualifying geologic storage sites in order to accept large volumes of carbon dioxide acceptable for commercial contracts;

''(2) understanding the technical and commercial viability of storage sites;

''(3) developing the qualification processes that will be necessary for a diverse range of geologic storage sites to commercially accept carbon dioxide; and

''(4) any other activities the Secretary determines necessary to transition the large scale demonstration storage projects into commercial ventures.

''(e) COST SHARING.—The Secretary shall require cost sharing under this section in accordance with section 988.

''(f) AUTHORIZATION OF APPROPRIATIONS.—For activities under this section, there are authorized to be appropriated to the Secretary—

''(1) $120,000,000 for fiscal year 2020;

''(2) $126,000,000 for fiscal year 2021;

''(3) $132,300,000 for fiscal year 2022;

''(4) $138,915,000 for fiscal year 2023; and

''(5) $145,860,750 for fiscal year 2024.''.

SEC. 6. CARBON UTILIZATION.

(a) PROGRAM.—Subtitle F of title IX of the Energy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is amended by adding at the end the following:

"SEC. 969. CARBON UTILIZATION.

"(a) IN GENERAL.—The Secretary shall carry out a program of research, development, and demonstration for carbon utilization. The program shall—

"(1) assess and monitor potential changes in life cycle carbon dioxide and other greenhouse gas emissions, and other environmental safety indicators of new technologies, practices, processes, or methods, used in enhanced hydrocarbon recovery as part of the activities authorized in section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293);

"(2) identify and evaluate novel uses for carbon, including the conversion of carbon dioxide, in a manner that, on a full life-cycle basis, achieves a permanent reduction in, or avoidance of a net increase in carbon dioxide in the atmosphere, for use in commercial and industrial products, such as—

"(A) chemicals;

"(B) plastics;

"(C) building materials;

"(D) fuels;

"(E) cement;

''(F) products of coal utilization in power systems (as such term is defined in section 962(e)), or other applications; or

''(G) other products with demonstrated market value;

''(3) carbon capture technologies for industrial systems;

''(4) identify and assess alternative uses for coal that result in no net emissions of carbon dioxide or other pollutants, including products derived from carbon engineering, carbon fiber, and coal conversion methods.

''(b) AUTHORIZATION OF APPROPRIATIONS.—For activities under this section, there are authorized to be appropriated to the Secretary—

''(1) $25,000,000 for fiscal year 2020;

''(2) $26,250,000 for fiscal year 2021;

''(3) $27,562,500 for fiscal year 2022;

''(4) $28,940,625 for fiscal year 2023; and

''(5) $30,387,656 for fiscal year 2024.''.

(b) STUDY.—The Secretary shall enter into an agreement with the National Academies to conduct a study assessing the barriers, and opportunities related to the commercial application of carbon dioxide in the United States. Such study shall—

(1) analyze the technical feasibility, related challenges, and impacts to commercializing carbon dioxide, including—

(A) creating a national system of carbon dioxide pipelines and geologic sequestration sites;

(B) mitigating environmental and landowner impacts; and

(C) regional economic challenges and opportunities;

(2) identify potential markets, industries, or sectors that may benefit from greater access to commercial carbon dioxide;

(3) assess the current state of infrastructure and any necessary updates to allow for the integration of safe and reliable carbon dioxide transportation, utilization, and storage;

(4) estimate the economic, climate, and environmental impacts of any well-integrated national carbon dioxide pipeline system, including suggestions for policies that could improve the economic impact of the system;

(5) assess the global status and progress of carbon utilization technologies (both chemical and biological) in practice today that utilize waste carbon

(including carbon dioxide, carbon monoxide, methane, and biogas) from power generation, biofuels production, and other industrial processes;

(6) identify emerging technologies and approaches for carbon utilization that show promise for scale-up, demonstration, deployment, and commercialization;

(7) analyze the factors associated with making carbon utilization technologies viable at a commercial scale, including carbon waste stream availability, economics, market capacity, energy and lifecycle requirements;

(8) assess the major technical challenges associated with increasing the commercial viability of carbon reuse technologies, and identify the research and development questions that will address those challenges;

(9) assess current research efforts, including engineering and computational, that are addressing these challenges and identify gaps in the current research portfolio; and

(10) develop a comprehensive research agenda that addresses both long- and short-term research needs and opportunities.

SEC. 7. ADVANCED ENERGY SYSTEMS.

Subtitle F of title IX of the Energy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is further amended by adding at the end the following:

"SEC. 969A. ADVANCED ENERGY SYSTEMS.

''(a) IN GENERAL.—The Secretary shall conduct a program, with the purpose of reducing emissions from fossil fuel power generation by not less than 50 percent, of research, development, demonstration, and commercial application with respect to the following:

''(1) High-efficiency turbines for any advanced power system that will lead to natural gas turbine combined cycle efficiency of 67 percent or combustion turbine efficiency of 50 percent.

''(2) Supercritical and ultrasupercritical carbon dioxide, with an emphasis on developing directly-fired and indirectly fired cycles in the next 10 years.

''(3) Advanced combustion systems, including oxy-combustion systems and chemical looping.

''(4) Fuel cell technologies for low-cost, high-efficiency, fuel-flexible, modular power systems, including solid oxide fuel cell technology for commercial, residential, and distributed generation systems, using improved manufacturing production and processes.

''(5) Gasification systems to enable carbon capture, improve efficiency, and reduce capital and operating costs.

''(6) Thermal cycling with ramping or rapid black start capabilities that do not compromise efficiency or environmental performance.

''(7) Small-scale and modular coal-fired technologies with reduced carbon outputs or carbon capture that can support incremental power generation capacity additions.

''(b) PRIORITY.—In carrying out the program under subsection (a), the Secretary is encouraged to prioritize transformational technologies that enable a step change in reduction of emissions as compared to the technology in existence on the date of enactment of this section.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For activities under this section, there are authorized to be appropriated to the Secretary—

''(1) $150,000,000 for fiscal year 2020;

''(2) $157,500,000 for fiscal year 2021;

''(3) $165,375,000 for fiscal year 2022;

''(4) $173,643,750 for fiscal year 2023; and

''(5) $182,325,938 for fiscal year 2024.''.

SEC. 8. RARE EARTH ELEMENTS.

Subtitle F of title IX of the Energy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is further amended by adding at the end the following:

"SEC. 969B. RARE EARTH ELEMENTS.

"(a) IN GENERAL.—In coordination with the relevant Federal agencies, the Secretary shall conduct research to develop and assess methods to separate and recover rare earth elements and other strategic minerals and coproducts from coal and coal byproduct streams. The program shall—

"(1) develop advanced rare earth element separation and extraction processes using coal-based resources as feedstock materials;

"(2) assess the technical and economic feasibility of recovering rare earth elements from coal-based resources and validate such feasibility with prototype systems producing salable, high-purity rare earth elements from coal-based resources; and

"(3) assess and mitigate any environmental and public health impacts of recovering rare earth elements from coal-based resources.

"(b) AUTHORIZATION OF APPROPRIATIONS.—For activities under this section, there are authorized to be appropriated to the Secretary—

"(1) $23,000,000 for fiscal year 2020;

''(2) $24,150,000 for fiscal year 2021;

''(3) $25,357,500 for fiscal year 2022;

''(4) $26,625,375 for fiscal year 2023; and

''(5) $27,956,644 for fiscal year 2024.''.

SEC. 9. METHANE HYDRATE RESEARCH AMENDMENTS.

(a) IN GENERAL.—Section 4(b) of the Methane Hydrate Research and Development Act of 2000 (30 U.S.C. 2003(b)) is amended to read as follows:

''(b) GRANTS, CONTRACTS, COOPERATIVE AGREEMENTS, INTERAGENCY FUNDS TRANSFER AGREEMENTS, AND FIELD WORK PROPOSALS.—

''(1) ASSISTANCE AND COORDINATION.—In carrying out the program of methane hydrate research and development authorized by this section, the Secretary may award grants, or enter into contracts or cooperative agreements to—

''(A) conduct research to identify the environmental, health, and safety impacts of methane hydrate development;

''(B) assess and develop technologies to mitigate environmental impacts of the exploration and commercial development of methane hydrates as an energy resource, including the use of seismic testing, and to reduce the public

health and safety risks of drilling through methane hydrates;

''(C) conduct research to assess and mitigate the environmental impact of hydrate degassing (including natural degassing and degassing associated with commercial development); or

''(D) expand education and training programs in methane hydrate resource research and resource development through fellowships or other means for graduate education and training.

''(2) ENVIRONMENTAL MONITORING AND RESEARCH.—The Secretary shall conduct a long-term environmental monitoring and research program to study the effects of production from methane hydrate reservoirs.

''(3) COMPETITIVE PEER REVIEW.—Funds made available to carry out paragraphs (1) and (2) shall be made available based on a competitive process using external scientific peer review of proposed research.''.

(b) CONFORMING AMENDMENT.—Section 4(e) of such Act (30 U.S.C. 2003(e)) is amended in the matter

preceding paragraph (1) by striking ''subsection (b)(1)'' and inserting ''paragraphs (1) and (2) of subsection (b)''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 7 of such Act (30 U.S.C. 2006) is amended to read as follows:

''SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Secretary to carry out this Act $15,000,000, to remain available until expended, for each of fiscal years 2020 through 2024.''.

SEC. 10. CARBON REMOVAL.

Subtitle F of title IX of the Energy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is further amended by adding at the end the following:

''SEC. 969C. CARBON REMOVAL.

''(a) ESTABLISHMENT.—The Secretary, in coordination with the appropriate Federal agencies, shall establish a research, development, and demonstration program to remove carbon dioxide from the atmosphere on a large scale. The program may include activities in—

''(1) direct air capture and storage technologies;

''(2) enhanced carbon mineralization;

''(3) bioenergy with carbon capture and sequestration;

''(4) agricultural and grazing practices;

''(5) forest management and afforestation; and

''(6) planned or managed carbon sinks, including natural and artificial.

''(b) PRIORITIZATION.—In carrying out the program established in subsection (a), the Secretary shall prioritize—

''(1) the activities described in paragraphs (1) and (2) of subsection (a), acting through the Assistant Secretary for Fossil Energy; and

''(2) the activities described in subsection (a)(3), acting through the Assistant Secretary for Energy Efficiency and Renewable Energy and the Assistant Secretary for Fossil Energy.

''(c) CONSIDERATIONS.—The program under this section shall identify and develop carbon removal technologies and strategies that consider the following:

''(1) Land use changes, including impacts on natural and managed ecosystems.

''(2) Ocean acidification.

''(3) Net greenhouse gas emissions.

''(4) Commercial viability.

''(5) Potential for near-term impact.

''(6) Potential for carbon reductions on a gigaton scale.

''(7) Economic co-benefits.

''(d) ACCOUNTING.—The Department shall collaborate with the Environmental Protection Agency and other relevant agencies to develop and improve accounting frameworks and tools to accurately measure carbon removal and sequestration methods and technologies across the Federal Government.

''(e) AIR CAPTURE TECHNOLOGY PRIZE.—Not later than 1 year after the date of enactment of this Act, as part of the program carried out under this section, the Secretary shall carry out a program to award competitive technology prizes for carbon dioxide capture from ambient air or water. In carrying out this subsection, the Secretary shall—

''(1) in accordance with section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3719), develop requirements for—

''(A) the prize competition process;

''(B) minimum performance standards for projects eligible to participate in the prize competition; and

''(C) monitoring and verification procedures for projects selected to receive a prize award;

''(2) establish minimum levels for the capture of carbon dioxide from ambient air or water that are required to qualify for a prize award; and

''(3) offer prize awards for any of the following:

''(A) A design for a promising capture technology that will—

''(i) be operated on a demonstration scale; and

''(ii) have the potential to achieve significant reduction in the level of carbon dioxide in the atmosphere.

''(B) A successful bench-scale demonstration of a capture technology.

''(C) An operational capture technology on a commercial scale.

''(f) DIRECT AIR CAPTURE TEST CENTER.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Fossil Energy Research and Development Act of 2019, the Secretary shall award grants to one or more eligible entities for the operation of one or more test centers (in this subsection, known as 'Centers') to provide unique testing capabilities for innovative direct air capture and storage technologies.

''(2) PURPOSE.—Each Center shall—

''(A) advance research, development, demonstration, and commercial application of direct air capture and storage technologies;

''(B) support pilot plant and full-scale demonstration projects and test technologies that represent the scale of technology development beyond laboratory testing but not yet advanced to test under operational conditions at commercial scale;

''(C) develop front-end engineering design and economic analysis; and

''(D) maintain a public record of pilot and full-scale plant performance.

''(3) PRIORITY CRITERIA.—In selecting applications to operate a Center under this subsection, the Secretary shall prioritize applicants that—

''(A) have access to existing or planned research facilities;

''(B) are institutions of higher education with established expertise in engineering for direct air capture technologies, or partnerships with such institutions; or

''(C) have access to existing research and test facilities for bulk materials design and test-

ing, component design and testing, or professional engineering design.

''(4) SCHEDULE.—Each grant to operate a Center under this subsection shall be awarded for a term of not more than 5 years, subject to the availability of appropriations. The Secretary may renew such 5-year term without limit, subject to a rigorous merit review.

''(5) TERMINATION.—To the extent otherwise authorized by law, the Secretary may eliminate the center during any 5-year term described in the last paragraph if it is underperforming.

''(g) LARGE-SCALE PILOTS AND DEMONSTRATIONS.—In supporting the technology development activities under this section, the Secretary is encouraged to support carbon removal pilot and demonstration projects, including—

''(1) pilot projects that test direct air capture systems capable of capturing 10 to 100 tonnes of carbon oxides per year to provide data for demonstration-scale projects; and

''(2) direct air capture demonstration projects capable of capturing greater than 1,000 tonnes of carbon oxides per year.

''(h) INTRA-AGENCY RESEARCH.—In carrying out the program established in (a), the Secretary shall encourage and promote collaborations among relevant offices and agencies within the Department.

''(i) AUTHORIZATION OF APPROPRIATIONS.—For activities under this section, there are authorized to be appropriated to the Secretary—

''(1) $75,000,000 for fiscal year 2020, $15,000,000 of which are authorized to carry out subsection (e);

''(2) $63,000,000 for fiscal year 2021;

''(3) $66,150,000 for fiscal year 2022;

''(4) $69,458,000 for fiscal year 2023; and

''(5) $72,930,000 for fiscal year 2024.''.

SEC. 11. METHANE LEAK DETECTION AND MITIGATION.

Subtitle F of title IX of the Energy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is further amended by adding at the end the following:

''SEC. 969D. METHANE LEAK DETECTION AND MITIGATION.

''(a) IN GENERAL.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency and other appropriate Federal agencies, shall carry out a program of methane leak detection and mitigation research, development, demonstration, and commercial application for technologies and methods that signifi-

cantly reduce emissions. In carrying out the program, the Secretary shall—

''(1) develop cooperative agreements with State or local governments or private entities to provide technical assistance to—

''(A) prevent or respond to methane leaks, including detection, mitigation, and identification of leaks throughout the natural gas infrastructure (which includes natural gas storage, pipelines, and natural gas production sites); and

''(B) protect public health in the event of a major methane leak;

''(2) promote demonstration and adoption of effective methane emissions-reduction technologies in the private sector;

''(3) in coordination with representatives from private industry, State and local governments, and institutions of higher education, create a publicly accessible resource for best practices in the design, construction, maintenance, performance, monitoring, and incident response for—

''(A) pipeline systems;

''(B) wells;

''(C) compressor stations;

''(D) storage facilities; and

''(E) other vulnerable infrastructure;

''(4) identify high-risk characteristics of pipelines, wells, and materials, geologic risk factors, or other key factors that increase the likelihood of methane leaks; and

''(5) in collaboration with private entities and institutions of higher education, quantify and map significant geologic methane seeps across the United States.

''(b) CONSIDERATIONS.—In carrying out the program under this section, the Secretary shall consider the following:

''(1) Historical data of methane leaks.

''(2) Public health consequences.

''(3) Public safety.

''(4) Novel materials and designs for pipelines, compressor stations, components, and wells (including casing, cement, wellhead).

''(5) Regional geologic traits.

''(6) Induced and natural seismicity.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For activities under this section, there are authorized to be appropriated to the Secretary—

''(1) $22,000,000 for fiscal years 2020;

''(2) $23,100,000 for fiscal years 2021;

''(3) $24,255,000 for fiscal years 2022;

''(4) $25,467,750 for fiscal years 2023; and

''(5) $26,741,138 for fiscal years 2024.''.

SEC. 12. WASTE GAS UTILIZATION.

Subtitle F of title IX of the Energy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is further amended by adding at the end the following:

''SEC. 969E. WASTE GAS UTILIZATION.

''The Secretary shall carry out a program of research, development, and demonstration for waste gas utilization. The program shall—

''(1) identify and evaluate novel uses for light hydrocarbons, such as methane, ethane, propane, butane, pentane and hexane, produced during oil and shale gas production, including the production of chemicals or transportation fuels;

''(2) develop advanced gas conversion technologies that are modular and compact, and may leverage advanced manufacturing technologies;

''(3) support demonstration activities at operating oil and gas facilities to test the performance and cost-effectiveness of new gas conversion technologies; and

''(4) assess and monitor potential changes in life cycle greenhouse gas emissions that may result

from the use of technologies developed under this program.''.

SEC. 13. NATIONAL ENERGY TECHNOLOGY LABORATORY REFORMS.

(a) SPECIAL HIRING AUTHORITY FOR SCIENTIFIC, ENGINEERING, AND PROJECT MANAGEMENT PERSONNEL.—

(1) IN GENERAL.—The Director of the National Energy Technology Laboratory shall have the authority to—

(A) make appointments to positions in the Laboratory to assist in meeting a specific project or research need, without regard to civil service laws, of individuals who—

(i) have an advanced scientific or engineering background; or

(ii) have a business background and can assist in specific technology-to-market needs;

(B) fix the basic pay of any employee appointed under this section at a rate not to exceed level II of the Executive Schedule; and

(C) pay any employee appointed under this section payments in addition to basic pay, except that the total amount of additional pay-

ments paid to an employee under this subsection for any 12-month period shall not exceed the least of—

(i) $25,000;

(ii) the amount equal to 25 percent of the annual rate of basic pay of that employee; and

(iii) the amount of the limitation that is applicable for a calendar year under section 5307(a)(1) of title 5, United States Code.

(2) LIMITATIONS.—

(A) IN GENERAL.—The term of any employee appointed under this section shall not exceed 3 years.

(B) FULL-TIME EMPLOYEES.—Not more than 10 full-time employees appointed under this subsection may be employed at the National Energy Technology Laboratory at any given time.

(b) DISCRETIONARY RESEARCH AND DEVELOPMENT.—

(1) IN GENERAL.—The Secretary shall establish mechanisms under which the Director of the National Energy Technology Laboratory may use an

amount that is, in total, not less than 2 percent and not more than 4 percent of all funds available to the Laboratory for the following purposes:

(A) To fund innovative research that is conducted at the Laboratory and supports the mission of the Department.

(B) To fund technology development programs that support the transition of technologies developed by the Laboratory into the commercial market.

(C) To fund workforce development activities to strengthen external engineering and manufacturing partnerships to ensure safe, efficient, productive, and useful fossil energy technology production.

(D) To fund the revitalization, recapitalization, or minor construction of the Laboratory infrastructure.

(2) PRIORITIZATION.—The Director shall prioritize innovative experiments and proposals proposed by scientists and researchers at the National Energy Technology Laboratory.

(3) ANNUAL REPORT ON USE OF AUTHORITY.—Not later than March 1 of each year, the Secretary shall submit to the Committee on Science, Space,

and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the use of the authority under this subsection during the preceding fiscal year.

(c) LABORATORY OPERATIONS.—The Secretary shall delegate human resources operations of the National Energy Technology Laboratory to the Director of the National Energy Technology Laboratory.

(d) REVIEW.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report assessing the National Energy Technology Laboratory's management and research. The report shall include—

(1) an assessment of the quality of science and research at the National Energy Technology Laboratory relative to similar work at other national laboratories;

(2) a review of the effectiveness of authorities provided in subsections (a) and (b); and

(3) recommendations for policy changes within the Department and legislative changes to provide the National Energy Technology Laboratory the nec-

essary tools and resources to advance its research mission.