

105TH CONGRESS
1ST SESSION

H. R. 1359

To amend the Public Utility Regulatory Policies Act of 1978 to establish a means to support programs for electric energy conservation and energy efficiency, renewable energy, and universal and affordable service for electric consumers.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1997

Mr. DEFAZIO (for himself, Ms. FURSE, Ms. HOOLEY of Oregon, Ms. CHRISTIAN-GREEN, Mrs. MALONEY of New York, Mr. GUTIERREZ, Mr. HINCHEY, and Mr. LEWIS of Georgia) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To amend the Public Utility Regulatory Policies Act of 1978 to establish a means to support programs for electric energy conservation and energy efficiency, renewable energy, and universal and affordable service for electric consumers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. NATIONAL ELECTRIC SYSTEM PUBLIC BENE-**
2 **FITS.**

3 Title VI of the Public Utility Regulatory Policies Act
4 of 1978 is amended by adding after section 604 the follow-
5 ing new section:

6 **“SEC. 605. NATIONAL ELECTRIC SYSTEM PUBLIC BENEFITS**
7 **FUND.**

8 “(a) PURPOSE.—The purpose of this section is to
9 provide for a National Electric System Public Benefits
10 Fund, administered by the National Electric System Pub-
11 lic Benefits Board, to provide matching funds to States
12 for the support of eligible public purpose programs.

13 “(b) DEFINITIONS.—For purposes of this section:

14 “(1) The term ‘Board’ means the National
15 Electric System Public Benefits Board established
16 under this section.

17 “(2) The term ‘eligible public purpose program’
18 means a program that supports—

19 “(A) conservation and energy efficiency
20 and renewable energy,

21 “(B) universal and affordable service, or

22 “(C) research and development that sup-
23 ports such purposes,

24 and that is designated by the Board as eligible to re-
25 ceive funding under this section.

1 “(3) The term ‘matching funds’ means an equal
2 distribution of State funds and funds made available
3 as provided in this section.

4 “(4) The ‘Secretary’ means the Secretary of
5 Energy.

6 “(5) The terms ‘State commission’ and ‘trans-
7 mitting utility’ have the meanings provided for such
8 terms by the Federal Power Act.

9 “(6) The term ‘renewable energy’ means elec-
10 tricity generated from nontoxic organic waste, bio-
11 mass, dedicated energy crops, landfill gas, geo-
12 thermal, solar, tidal or wind resources, except that
13 such term does not include electricity generated
14 from the incineration of municipal solid waste.

15 “(7) The term ‘energy efficiency’ means pro-
16 grams and measures designed to cost-effectively im-
17 prove the efficiency of end-use electricity consump-
18 tion, considering all costs of electricity generation,
19 transmission, distribution, and consumption on a
20 life-cycle basis. For purposes of this section, eligible
21 energy efficiency programs and measures shall in-
22 clude efforts to transform markets in end-use equip-
23 ment, to develop and implement codes and stand-
24 ards, to provide technical support and information to
25 consumers, and to provide financing and financial

1 support for the acquisition of efficient end use
2 equipment.

3 “(9) A program that supports ‘universal and af-
4 fordable service’ is any program that promotes high
5 quality and reliable electric service at just, reason-
6 able, and affordable rates for low income consumers
7 and those in rural, insular, or high cost areas.

8 “(c) NATIONAL ELECTRIC SYSTEM PUBLIC BENE-
9 FITS BOARD.—(1) A National Electric System Public
10 Benefits Board shall be established to carry out the func-
11 tions and responsibilities specified in this section.

12 “(2) The Board shall be composed of 3 persons who
13 are officers or employees of the United States, and 4 State
14 commissioners nominated by the national organization of
15 the State commissions and appointed by the Secretary.
16 The Secretary shall appoint one member of the Board to
17 serve as Chairman.

18 “(3) Within 180 days after the enactment of this Act,
19 the Secretary shall promulgate a final rule containing the
20 rules and procedures of the Board, including the rules and
21 procedures for selecting a non-Federal fiscal agent under
22 subsection (e). The Secretary shall have oversight respon-
23 sibilities over the Board.

24 “(d) CONTRIBUTIONS.—Each owner or operator of
25 an electric power generation facility shall, as a condition

1 of transmitting power to any transmitting utility, contrib-
2 ute funds (based on the kilowatt hours transmitted) in
3 such amounts as shall be determined by the Board to be
4 necessary to generate revenues in each calendar year equal
5 to $\frac{1}{2}$ of the aggregate cost of carrying out the eligible
6 public purpose programs that meet the criteria established
7 by the Board under subsection (e) for receipt of funding
8 for that calendar year. Such contributions shall not exceed
9 2 mills per kilowatt hour. Each transmitting utility receiv-
10 ing electricity from a generator shall collect such contribu-
11 tions and transfer the contributions to the fiscal agent
12 designated under subsection (e) at the end of each month
13 in which contributions are made.

14 “(e) PUBLIC BENEFITS PROGRAM.—(1) Within 90
15 days after the promulgation of the Secretary’s rules under
16 subsection (c)(3), the Board shall institute a proceeding
17 to establish regulations governing creation and adminis-
18 tration of a Public Benefits Program. Such regulations
19 shall include criteria for the eligibility of the State public
20 service programs for support under the Program. The
21 Board shall enter into arrangements with a non-Federal
22 fiscal agent who shall be authorized to receive the con-
23 tributions made under subsection (d) and to disburse such
24 contributions as provided in subsection (f). The Board

1 shall prepare a recommended decision for prompt review
2 and approval by the Secretary.

3 “(2) Any State may establish one or more public pur-
4 pose programs and apply for matching funding for such
5 program or programs under the Public Benefits Program.
6 A participating State may use matching funds received
7 under this section only to support one or more eligible
8 public purpose programs. The Board shall regularly audit
9 the expenditures of matching funds received by a partici-
10 pating State under this section.

11 “(3) At no time is a State required, pursuant to this
12 section, to participate in the Public Benefits program, nor
13 may a State be required by the Board to fund a particular
14 eligible public purpose program.

15 “(f) NATIONAL ELECTRIC SYSTEM PUBLIC BENE-
16 FITS.—(1) The fiscal agent shall distribute contributions
17 received by the fiscal agent under subsection (d) to States
18 (or entities designated by the States) under this sub-
19 section in accordance with the criteria established by the
20 Board under subsection (e) to carry out eligible public
21 purpose programs established by the States. A State seek-
22 ing matching funds to carry out eligible public purpose
23 programs shall apply for such funds no later than 3
24 months prior to the start of the calendar year. In its appli-
25 cation, the State must certify that the moneys will be used

1 for one or more eligible public purpose programs and must
2 specify the amount of State support which is projected for
3 the coming calendar year for the programs concerned.

4 “(2) Upon receipt of all State requests for matching
5 funds submitted pursuant to paragraph (1) within the 3-
6 month time period specified in paragraph (1), the Board
7 shall calculate the funds necessary to match the level of
8 projected States funds for eligible public purpose pro-
9 grams for the coming calendar year.

10 “(3) Following the calculation of the amount of
11 matching funds required under paragraph (2) for all
12 States for any calendar year, the Board shall communicate
13 that amount to the fiscal agent. To the extent the match-
14 ing funds requested by all States for a calendar year ex-
15 ceed the maximum projected revenues from the contribu-
16 tions under this section, the matching funds distributed
17 to each State shall be reduced pro rata so that the percent-
18 age of State funds matched by funds provided under this
19 section is the same for all States.

20 “(4) The fiscal agent shall distribute matching funds
21 to the States (or to an entity or entities designated by
22 the State to receive payments) in monthly payments to
23 be used for eligible public purpose programs designated
24 under subsection (f). All funds received shall be used only

1 for the eligible public purpose programs designated by the
2 State.

3 “(g) EXISTING PROGRAMS.—It is the sense of the
4 Congress that the program established under this section
5 shall not replace or supersede any other existing programs
6 that support or encourage conservation and energy effi-
7 ciency, renewable energy, universal and affordable service,
8 or research and development.”.

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