

110TH CONGRESS
2D SESSION

S. 3682

To provide incentives to small business concerns for innovative energy-efficient technologies and products, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 2 (legislative day, SEPTEMBER 17), 2008

Ms. SNOWE (for herself, Ms. CANTWELL, and Mr. STEVENS) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide incentives to small business concerns for innovative energy-efficient technologies and products, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Business Energy Innovation Act of 2008”.

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

Sec. 1. Short title; table of contents.

TITLE I—DEPARTMENT OF ENERGY

Sec. 101. Grants to small business concerns for innovative energy-efficient technologies and products.

Sec. 102. Loan guarantees for small business concerns for innovative energy-efficient technologies and products.

TITLE II—SMALL BUSINESS ADMINISTRATION

Sec. 201. Director of Energy Innovation.

1 **TITLE I—DEPARTMENT OF**
2 **ENERGY**

3 **SEC. 101. GRANTS TO SMALL BUSINESS CONCERNS FOR IN-**
4 **NOVATIVE ENERGY-EFFICIENT TECH-**
5 **NOLOGIES AND PRODUCTS.**

6 Title XVII of the Energy Policy Act of 2005 (42
7 U.S.C. 16511 et seq.) is amended—

8 (1) by redesignating section 1704 (42 U.S.C.
9 16514) as section 1706; and

10 (2) by inserting after section 1703 (42 U.S.C.
11 16513) the following:

12 **“SEC. 1704. GRANTS TO SMALL BUSINESS CONCERNS FOR**
13 **INNOVATIVE ENERGY-EFFICIENT TECH-**
14 **NOLOGIES AND PRODUCTS.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) SECRETARY.—The term ‘Secretary’ means
17 the Secretary of Energy, in consultation with the
18 Administrator of the Small Business Administration.

19 “(2) SMALL BUSINESS CONCERN.—

20 “(A) IN GENERAL.—The term ‘small busi-
21 ness concern’ means a small business concern
22 (within the meaning of section 3 of the Small

1 Business Act (15 U.S.C. 632)), except as the
2 Secretary otherwise determines appropriate.

3 “(B) INCLUSION.—The term ‘small busi-
4 ness concern’ includes a micro-innovator (as de-
5 fined by the Secretary).

6 “(b) GRANTS.—The Secretary shall make grants to
7 small business concerns for the development of innovative
8 energy-efficient technologies and products described in
9 subsection (c) in 2 phases described in subsections (d) and
10 (e).

11 “(c) CATEGORIES.—A grant under this section may
12 be used to carry out a project in any of the following cat-
13 egories:

14 “(1) Renewable energy systems.

15 “(2) Advanced energy-efficiency systems, in-
16 cluding systems for improved commercial and resi-
17 dential building efficiencies.

18 “(3) Advanced transportation fuels (including
19 cellulosic ethanol) for residential, industrial, or
20 transportation applications.

21 “(4) Carbon capture and sequestration prac-
22 tices and technologies, including agricultural and
23 forestry practices that store and sequester carbon.

24 “(5) Efficient electrical generation, trans-
25 mission, and distribution technologies.

1 “(6) Efficient end-use energy technologies.

2 “(7) Production facilities for fuel efficient vehi-
3 cles, including hybrid and advanced diesel vehicles.

4 “(8) Pollution control equipment.

5 “(9) Any other category determined appropriate
6 by the Secretary.

7 “(d) PHASE 1 GRANTS.—

8 “(1) ELIGIBILITY.—

9 “(A) IN GENERAL.—To be eligible for a
10 phase 1 grant under this section, a recipient
11 shall—

12 “(i) be a small business concern that
13 employs not more than 100 full-time em-
14 ployees; and

15 “(ii) have a primary goal of making
16 an innovative energy-efficient technology or
17 product a commercial technology or prod-
18 uct not later than 5 years after the date of
19 receipt of the grant.

20 “(B) SELECTION CRITERIA.—The Sec-
21 retary shall publish the criteria to be used in
22 any competition for grants under this sub-
23 section.

24 “(2) COMPETITION.—In making phase 1 grants
25 under this subsection, the Secretary shall—

1 “(A) award any grant pursuant to a full
2 and open competition; and

3 “(B) advertise any competition under this
4 section.

5 “(3) MAXIMUM NUMBER OF GRANTS.—An enti-
6 ty shall be eligible to receive under this subsection
7 phase 1 grants for not more than 2 fiscal years for
8 each project carried out under this section.

9 “(4) AMOUNT OF GRANT.—The amount of a
10 phase 1 grant made to an eligible entity for a
11 project under this subsection shall not be—

12 “(A) less than \$25,000; or

13 “(B) more than \$250,000.

14 “(e) PHASE 2 GRANTS.—

15 “(1) ELIGIBILITY.—To be eligible for a phase 2
16 grant under this section, a recipient shall—

17 “(A) have received a phase 1 grant under
18 subsection (d); and

19 “(B) demonstrate to the Secretary
20 (through a review process established by the
21 Secretary) that—

22 “(i) the phase 1 grant has been used
23 to develop an innovative energy-efficient
24 technology or product described in sub-
25 section (c); and

1 “(ii) the innovative energy-efficient
2 technology or product is viable.

3 “(2) MAXIMUM NUMBER OF GRANTS.—An enti-
4 ty shall be eligible to receive under this subsection
5 phase 2 grants for not more than 3 fiscal years for
6 each project carried out under this section.

7 “(3) AMOUNT OF GRANT.—The amount of a
8 phase 2 grant made to an eligible entity for a
9 project under this subsection shall not be—

10 “(A) less than \$250,000; or

11 “(B) more than \$1,000,000.

12 “(f) STATE DISTRIBUTION.—The Secretary shall en-
13 sure, to the maximum extent practicable, that the number
14 of grants made under this section (regardless of the dollar
15 amounts) are equally dispersed among small, medium, and
16 large States.

17 “(g) TERMINATION.—The Secretary may terminate
18 providing grants to a recipient under this section if the
19 Secretary determines that the recipient is not eligible for
20 the grants or is not complying with the terms and condi-
21 tions of the grant.

22 “(h) REGULATIONS.—Not later than 1 year after the
23 date of enactment of the Small Business Energy Innova-
24 tion Act of 2008, the Secretary shall promulgate such reg-
25 ulations as are necessary to carry out this section.

1 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to carry out this section
3 \$20,000,000 for each of fiscal years 2009 through 2013.”.

4 **SEC. 102. LOAN GUARANTEES FOR SMALL BUSINESS CON-**
5 **CERNS FOR INNOVATIVE ENERGY-EFFICIENT**
6 **TECHNOLOGIES AND PRODUCTS.**

7 Title XVII of the Energy Policy Act of 2005 (42
8 U.S.C. 16511 et seq.) (as amended by section 101) is
9 amended by inserting after section 1704 the following:

10 **“SEC. 1705. LOAN GUARANTEES FOR SMALL BUSINESS CON-**
11 **CERNS FOR INNOVATIVE ENERGY-EFFICIENT**
12 **TECHNOLOGIES AND PRODUCTS.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) SECRETARY.—The term ‘Secretary’ means
15 the Secretary of Energy, in consultation with the
16 Administrator of the Small Business Administration.

17 “(2) SMALL BUSINESS CONCERN.—

18 “(A) IN GENERAL.—The term ‘small busi-
19 ness concern’ means a small business concern
20 (within the meaning of section 3 of the Small
21 Business Act (15 U.S.C. 632)), except as the
22 Secretary otherwise determines appropriate.

23 “(B) INCLUSION.—The term ‘small busi-
24 ness concern’ includes a micro-innovator (as de-
25 fined by the Secretary).

1 “(b) LOAN GUARANTEES.—

2 “(1) AUTHORITY.—The Secretary may make
3 guarantees for loans made to small business con-
4 cerns for the development of innovative energy-effi-
5 cient technologies and products.

6 “(2) AMOUNT.—In making guarantees under
7 this section, the Secretary may guarantee the repay-
8 ment of not more than 90 percent of the loan
9 amount for a loan that does not exceed \$10,000,000.

10 “(c) ELIGIBILITY.—

11 “(1) IN GENERAL.—To be eligible for a loan
12 guarantee under this section, a recipient shall—

13 “(A) be a small business concern; and

14 “(B) have a primary goal of making an in-
15 novative energy-efficient technology or product
16 a commercial technology or product not later
17 than 5 years after the date of receipt of the
18 loan guarantee.

19 “(2) SELECTION CRITERIA.—The Secretary
20 shall publish the criteria to be used in any competi-
21 tion for loan guarantees under this section.

22 “(d) CATEGORIES.—A loan may be guaranteed under
23 this section to carry out a project in any of the following
24 categories:

25 “(1) Renewable energy systems.

1 “(2) Advanced energy-efficiency systems includ-
2 ing systems for improved commercial and residential
3 building efficiencies.

4 “(3) Advanced transportation fuels (including
5 cellulosic ethanol) for residential, industrial, or
6 transportation applications.

7 “(4) Carbon capture and sequestration prac-
8 tices and technologies, including agricultural and
9 forestry practices that store and sequester carbon.

10 “(5) Efficient electrical generation, trans-
11 mission, and distribution technologies.

12 “(6) Efficient end-use energy technologies.

13 “(7) Production facilities for fuel efficient vehi-
14 cles, including hybrid and advanced diesel vehicles.

15 “(8) Pollution control equipment.

16 “(9) Any other category determined appropriate
17 by the Secretary.

18 “(e) TERMS AND CONDITIONS.—

19 “(1) IN GENERAL.—Except as otherwise pro-
20 vided in this section, a loan guaranteed under this
21 section shall be subject to the terms and conditions
22 of section 1702 and this section and such terms and
23 conditions as the Secretary may prescribe.

1 “(2) REPAYMENT.—A loan may not be guaran-
2 teed under this section unless the Secretary deter-
3 mines that—

4 “(A) the lender is responsible;

5 “(B) there is a reasonable assurance of re-
6 payment; and

7 “(C) adequate provisions are made for—

8 “(i) servicing the loan on reasonable
9 terms; and

10 “(ii) protecting the financial interest
11 of the United States;

12 “(3) COLLATERAL OR SECURITY.—An eligible
13 entity shall provide significant collateral or security
14 for repayment of a loan guaranteed under this sec-
15 tion, as determined by the Secretary.

16 “(f) INTEREST RATE BUYDOWN.—The Secretary
17 may buy down the interest rate of a loan guaranteed under
18 this section by no more than 2 percent.

19 “(g) REGULATIONS.—Not later than 1 year after the
20 date of enactment of the Small Business Energy Innova-
21 tion Act of 2008, the Secretary shall promulgate such reg-
22 ulations as are necessary to carry out this section, includ-
23 ing regulations that establish—

24 “(1) lending standards for loans guaranteed
25 under this section; and

1 “(2) standards for use in periodically assessing
2 credit risk and eligibility requirements for loans
3 guaranteed loans under this section.

4 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
5 is authorized to be appropriated to carry out this section
6 \$70,000,000 for each of fiscal years 2009 through 2013.”.

7 **TITLE II—SMALL BUSINESS**
8 **ADMINISTRATION**

9 **SEC. 201. DIRECTOR OF ENERGY INNOVATION.**

10 (a) IN GENERAL.—The Small Business Act (15
11 U.S.C. 631 et seq.) is amended—

12 (1) by redesignating section 44 (15 U.S.C. 631
13 note; Public Law 85–536) as section 45; and

14 (2) by inserting after section 43 (15 U.S.C.
15 657o) the following:

16 **“SEC. 44. DIRECTOR OF ENERGY INNOVATION.**

17 **“(a) DIRECTOR OF ENERGY INNOVATION.—**

18 **“(1) IN GENERAL.—**There shall be in the Ad-
19 ministration a Director of Energy Innovation, who
20 shall—

21 **“(A) be appointed by the Administrator;**

22 **“(B) have documented experience in work-**
23 **ing on energy or innovation related issues; and**

24 **“(C) coordinate the energy innovation ac-**
25 **tivities of the Administration, as determined by**

1 the Administrator, which shall include pro-
2 moting small business concerns that are en-
3 gaged in promoting energy independence.

4 “(2) EMPLOYMENT STATUS.—The Adminis-
5 trator shall establish the position of Director of En-
6 ergy Innovation as—

7 “(A) a position at GS-15 of the General
8 Schedule; or

9 “(B) a Senior Executive Service position to
10 be filled by a career appointee, as defined under
11 section 3132(a)(4) of title 5, United States
12 Code.

13 “(3) IMPLEMENTATION OF PROGRAMS.—The
14 Director of Energy Innovation shall work with the
15 offices of the Administration on issues relating to
16 energy under the programs of the Administration,
17 including the technical assistance programs of the
18 Administration, the Small Business Development
19 Center Program under section 21, the women’s busi-
20 ness center program under section 29, and the Serv-
21 ice Corps of Retired Executives established under
22 section 8(b)(1)(B).

23 “(4) AUTHORIZATION OF APPROPRIATIONS.—
24 There are authorized to be appropriated such sums
25 as are necessary to carry out this subsection.

1 “(b) ENERGY INNOVATION GRANT PROGRAM.—

2 “(1) DEFINITIONS.—In this subsection:

3 “(A) ELIGIBLE ORGANIZATION.—The term
4 ‘eligible organization’ means an organization
5 that—

6 “(i) is a private, nonprofit organiza-
7 tion, including a private, nonprofit organi-
8 zation that is an institution of higher edu-
9 cation, as defined in section 101(a) of the
10 Higher Education Act of 1965 (20 U.S.C.
11 1001(a));

12 “(ii) is capable of providing technical
13 assistance relating to—

14 “(I) renewable energy systems;

15 “(II) advanced energy efficiency
16 systems, including systems for im-
17 proved commercial and residential
18 building efficiencies;

19 “(III) advanced transportation
20 fuels (including cellulosic ethanol) for
21 residential, industrial, or transpor-
22 tation applications;

23 “(IV) carbon capture and seques-
24 tration practices and technologies, in-

1 including agricultural and forestry prac-
2 tices that store and sequester carbon;

3 “(V) efficient electrical genera-
4 tion, transmission, and distribution
5 technologies;

6 “(VI) efficient end-use energy
7 technologies;

8 “(VII) production facilities for
9 fuel efficient vehicles, including hybrid
10 and advanced diesel vehicles;

11 “(VIII) pollution control equip-
12 ment; or

13 “(IX) any other type of energy
14 innovation project determined appro-
15 priate by the Director of Energy Inno-
16 vation; and

17 “(iii) meets any other criteria estab-
18 lished by the Director of Energy Innova-
19 tion under paragraph (3).

20 “(B) ENERGY INNOVATION.—The term
21 ‘energy innovation project’ means a project
22 from the following categories:

23 “(i) Renewable energy systems.

1 “(ii) Energy efficiency, including im-
2 proved commercial and residential building
3 efficiencies.

4 “(iii) Advanced transportation fuels
5 (including cellulosic ethanol) for residen-
6 tial, industrial, or transportation applica-
7 tions.

8 “(iv) Efficient electrical generation,
9 transmission, and distribution technologies.

10 “(v) Efficient end-use energy tech-
11 nologies.

12 “(vi) Production facilities for fuel effi-
13 cient vehicles, including hybrid and ad-
14 vanced diesel vehicles.

15 “(vii) Pollution control equipment.

16 “(viii) Any other category determined
17 appropriate by the Administrator.

18 “(2) ESTABLISHMENT.—The Administrator,
19 acting through the Director of Energy Innovation,
20 shall establish an energy innovation grant program,
21 under which the Director of Energy Innovation may
22 make grants on a competitive basis to eligible orga-
23 nizations.

24 “(3) CRITERIA FOR ELIGIBLE ORGANIZA-
25 TIONS.—The Director of Energy Innovation shall es-

1 establish and publish criteria for determining whether
2 an organization is an eligible organization.

3 “(4) AMOUNT AND PERIOD OF GRANTS.—A
4 grant under this subsection—

5 “(A) shall be for not less than \$100,000 or
6 more than \$500,000 for a fiscal year;

7 “(B) may be for a period of not more than
8 5 years; and

9 “(C) may be renewed, as determined ap-
10 appropriate by the Director of Energy Innovation.

11 “(5) USE OF FUNDS.—A grant under this sub-
12 section may be used to establish a program to pro-
13 vide assistance to small business concerns in car-
14 rying out an energy innovation project, including es-
15 tablishing educational curriculum, creating a tech-
16 nical assistance center, and providing technical as-
17 sistance online.

18 “(6) DISTRIBUTION OF GRANTS.—The Director
19 of Energy Innovation shall ensure, to the maximum
20 extent practicable, that the number of grants under
21 this subsection made to States with small, medium,
22 and large populations (as determined by the Admin-
23 istrator) is equal.

24 “(7) COST-SHARING REQUIREMENT.—The Fed-
25 eral share of the total cost of carrying out a pro-

1 gram described in paragraph (5) shall be not more
2 than 75 percent.

3 “(8) NOTICE.—The Director of Energy Innova-
4 tion shall advertise the grant program under this
5 subsection.

6 “(9) REGULATIONS.—Not later than 1 year
7 after the date of enactment of the Small Business
8 Energy Innovation Act of 2008, the Administrator
9 shall promulgate regulations to carry out the pro-
10 gram under this subsection.

11 “(10) AUTHORIZATION OF APPROPRIATIONS.—
12 There is authorized to be appropriated \$40,000,000
13 for each of fiscal years 2009 through 2013 to carry
14 out this subsection.

15 “(c) COORDINATION OF ENERGY INNOVATION PRO-
16 GRAMS.—

17 “(1) IN GENERAL.—The Director of Energy In-
18 novation shall ensure that the energy innovation pro-
19 grams of the Administration are coordinated, to the
20 maximum extent practicable, with the energy pro-
21 grams of the Department of Commerce, the Depart-
22 ment of Energy, the Environmental Protection
23 Agency, and other Federal departments and agen-
24 cies, as determined appropriate by the Adminis-
25 trator.

1 “(2) TECHNICAL ASSISTANCE PROGRAMS.—The
2 Director of Energy Innovation shall—

3 “(A) coordinate with the head of the tech-
4 nical assistance programs of the Administration
5 (including the Small Business Development
6 Center Program under section 21, the women’s
7 business center program under section 29, and
8 the Service Corps of Retired Executives estab-
9 lished under section 8(b)(1)(B)) to create pro-
10 grams to provide technical assistance for the
11 grant and loan programs under the Small Busi-
12 ness Energy Innovation Act of 2008 or an
13 amendment made by that Act; and

14 “(B) work to leverage the resources and
15 expand the energy innovation technical assist-
16 ance programs of other Federal departments
17 and agencies.”.

18 (b) APPOINTMENT OF FIRST DIRECTOR OF ENERGY
19 INNOVATION PROGRAMS.—The first individual appointed
20 as the Director of Energy Innovation Programs under sec-
21 tion 44(a)(1) of the Small Business Act, as added by sub-
22 section (a) of this section, may, if determined appropriate
23 by the Administrator of the Small Business Administra-

1 tion, be an individual who is employed by the Small Busi-
2 ness Administration on the date of enactment of this Act.

○