

**AMENDMENT TO THE RULES COMMITTEE PRINT  
FOR H.R. 8  
OFFERED BY MR. RUSH OF ILLINOIS**

At the end of the bill, add the following new title:

1 **TITLE VII—ENERGY SECURITY**  
2 **AND INFRASTRUCTURE MOD-**  
3 **ERNIZATION FUND**

4 **SEC. 7001. ENERGY SECURITY AND INFRASTRUCTURE MOD-**  
5 **ERNIZATION FUND.**

6 (a) ESTABLISHMENT.—There is hereby established in  
7 the Treasury of the United States a fund to be known  
8 as the Energy Security and Infrastructure Modernization  
9 Fund (referred to in this section as the “Fund”), con-  
10 sisting of—

11 (1) collections deposited in the Fund under sub-  
12 section (c); and

13 (2) amounts otherwise appropriated to the  
14 Fund.

15 (b) PURPOSE.—The purpose of the Fund is—

16 (1) to enhance the energy security of the  
17 United States by increasing the resilience, reliability,  
18 safety, and security of energy supply, transmission,  
19 storage, or distribution infrastructure.

1           (c) COLLECTION AND DEPOSIT OF SALE PROCEEDS  
2 IN FUND.—

3           (1) DRAWDOWN AND SALE.—Notwithstanding  
4 section 161 of the Energy Policy and Conservation  
5 Act (42 U.S.C. 6241), to the extent provided in ad-  
6 vance in appropriation Acts, the Secretary of Energy  
7 shall draw down and sell crude oil from the Stra-  
8 tegic Petroleum Reserve in amounts as authorized  
9 under subsection (e), except as provided in para-  
10 graphs (2) and (3). Amounts received for a sale  
11 under this subsection shall be deposited into the  
12 Fund during the fiscal year in which the sale occurs.  
13 Such amounts shall remain available in the Fund  
14 without fiscal year limitation.

15           (2) EMERGENCY PROTECTION.—The Secretary  
16 shall not draw down and sell crude oil under this  
17 subsection in amounts that would limit the authority  
18 to sell petroleum products under section 161(h) of  
19 the Energy Policy and Conservation Act (42 U.S.C.  
20 6241(h)) in the full amount authorized by that sub-  
21 section.

22           (3) INVESTMENT PROTECTION.—The Secretary  
23 shall not draw down and sell crude oil under this  
24 subsection at a price lower than the average price  
25 paid for oil in the Strategic Petroleum Reserve.

1 (d) AUTHORIZED USES OF FUND.—

2 (1) IN GENERAL.—Amounts in the Fund may  
3 be used for, or may be credited as offsetting collec-  
4 tions for amounts used for, carrying out the pro-  
5 grams described in paragraphs (2) and (3), to the  
6 extent provided in advance in appropriation Acts.

7 (2) PROGRAM TO ENHANCE SAFETY, PERFORM-  
8 ANCE, AND RESILIENCE OF NATURAL GAS DISTRIBUTION SYSTEMS.—  
9

10 (A) FINDING.—Cost-effective efforts to re-  
11 place cast and wrought iron and bare steel  
12 pipes and other leak prone components of the  
13 natural gas distribution system can improve  
14 both the public safety and environmental per-  
15 formance of the system, and these efforts can  
16 be accelerated while minimizing the financial  
17 impact on low-income households.

18 (B) ESTABLISHMENT OF PROGRAM.—The  
19 Secretary of Energy shall establish a competi-  
20 tive program to provide financial assistance to  
21 States to incentivize natural gas distribution  
22 companies to accelerate or expand utility pro-  
23 grams that improve the public safety and envi-  
24 ronmental performance of the natural gas dis-  
25 tribution system through investment in—

1 (i) accelerated replacement of cast  
2 and wrought iron and bare steel pipes and  
3 other leak-prone components of the system;  
4 and

5 (ii) enhanced inspection and mainte-  
6 nance programs for the system.

7 (C) RATE ASSISTANCE.—Any funds pro-  
8 vided to States under subsection (b) shall be  
9 used to offset the near-term incremental costs,  
10 as reflected in rate increases to low-income  
11 households, of the replacement, inspection, and  
12 maintenance programs described in subsection  
13 (b)(1) and (2).

14 (D) ELIGIBLE PROGRAMS.—Awards may  
15 be provided under subsection (b) only for re-  
16 placement, inspection, and maintenance pro-  
17 grams established or expanded after the date of  
18 enactment of this Act.

19 (E) AWARD LIMITS.—Awards provided to  
20 States under subsection (b) shall be for transi-  
21 tional assistance for a period not to exceed 10  
22 years.

23 (F) PROGRAM REQUIREMENTS.—Appli-  
24 cants for awards under subsection (b) shall  
25 demonstrate how financial assistance will be in-

1           tegrated in rate-setting programs and applied  
2           to targeted beneficiaries.

3           (G) PRIORITIZATION.—In making awards  
4           under this section, the Secretary shall prioritize  
5           applications based on—

6                   (i) calculated benefits for public safe-  
7                   ty;

8                   (ii) the magnitude of methane emis-  
9                   sions reductions;

10                  (iii) innovation in technical and policy  
11                  approaches;

12                  (iv) the number of beneficiaries of the  
13                  assistance; and

14                  (v) the overall cost-effectiveness of the  
15                  program.

16           (H) DEFINITION.—In this section, the  
17           term “low-income household” means a house-  
18           hold that is eligible to receive payments under  
19           section 2605(b)(2) of the Low-Income Home  
20           Energy Assistance Act of 1981 (42 U.S.C.  
21           8624(b)(2)).

22           (3) PROGRAM TO ENHANCE ELECTRIC INFRA-  
23           STRUCTURE RESILIENCE, RELIABILITY, AND ENERGY  
24           SECURITY.—

1           (A) PROGRAM.—The Secretary shall estab-  
2           lish a competitive grant program to provide  
3           grants to States, units of local government, and  
4           Indian tribe economic development entities to  
5           enhance energy security through measures for  
6           electricity delivery infrastructure hardening and  
7           enhanced resilience and reliability.

8           (B) PURPOSE OF GRANTS.—The Secretary  
9           may make grants on a competitive basis to en-  
10          able broader use of resiliency-related tech-  
11          nologies, upgrades, and institutional measures  
12          and practices designed to—

13                 (i) improve the resilience, reliability,  
14                 and security of electricity delivery infra-  
15                 structure;

16                 (ii) improve preparedness and restora-  
17                 tion time to mitigate power disturbances  
18                 resulting from physical and cyber attacks,  
19                 electromagnetic pulse attacks, geomagnetic  
20                 disturbances, seismic events, and severe  
21                 weather and other environmental stressors;

22                 (iii) continue delivery of power to fa-  
23                 cilities critical to public health, safety, and  
24                 welfare, including hospitals, assisted living  
25                 facilities, and schools;

1 (iv) continue delivery of power to elec-  
2 tricity-dependent essential services, includ-  
3 ing fueling stations and pumps, wastewater  
4 and sewage treatment facilities, gas pipe-  
5 line infrastructure, communications sys-  
6 tems, transportation services and systems,  
7 and services provided by emergency first  
8 responders; and

9 (v) enhance regional grid resilience  
10 and the resilience of electricity-dependent  
11 regional infrastructure.

12 (C) **EXAMPLES.**—Resiliency-related tech-  
13 nologies, upgrades, and measures with respect  
14 to which grants may be made under this para-  
15 graph include—

16 (i) hardening, or other enhanced pro-  
17 tection, of utility poles, wiring, cabling,  
18 and other distribution components, facili-  
19 ties, or structures;

20 (ii) advanced grid technologies capable  
21 of isolating or repairing problems remotely,  
22 such as advanced metering infrastructure,  
23 high-tech sensors, grid monitoring and  
24 control systems, and remote reconfigura-  
25 tion and redundancy systems;

- 1 (iii) cybersecurity products and com-  
2 ponents;
- 3 (iv) distributed generation, including  
4 back-up generation to power critical facili-  
5 ties and essential services, and related inte-  
6 gration components, such as advanced in-  
7 verter technology;
- 8 (v) microgrid systems, including hy-  
9 brid microgrid systems for isolated commu-  
10 nities;
- 11 (vi) combined heat and power;
- 12 (vii) waste heat resources;
- 13 (viii) non-grid-scale energy storage  
14 technologies;
- 15 (ix) wiring, cabling, and other dis-  
16 tribution components, including submers-  
17 ible distribution components, and enclo-  
18 sures;
- 19 (x) electronically controlled reclosers  
20 and similar technologies for power restora-  
21 tion, including emergency mobile sub-  
22 stations, as defined in section 1105;
- 23 (xi) advanced energy analytics tech-  
24 nology, such as Internet-based and cloud



1 based computing solutions and subscription  
2 licensing models;

3 (xii) measures that enhance resilience  
4 through planning, preparation, response,  
5 and recovery activities;

6 (xiii) operational capabilities to en-  
7 hance resilience through rapid response re-  
8 covery; and

9 (xiv) measures to ensure availability  
10 of key critical components through con-  
11 tracts, cooperative agreements, stockpiling  
12 and prepositioning, or other measures.

13 (D) IMPLEMENTATION.—Specific projects  
14 or programs established, or to be established,  
15 pursuant to awards provided under this para-  
16 graph shall be implemented through the States  
17 by public and publicly regulated entities on a  
18 cost-shared basis.

19 (E) COOPERATION.—In carrying out  
20 projects or programs established, or to be estab-  
21 lished, pursuant to awards provided under this  
22 paragraph, award recipients shall cooperate, as  
23 applicable, with—

24 (i) State public utility commissions;

25 (ii) State energy offices;

1 (iii) electric infrastructure owners and  
2 operators; and

3 (iv) other entities responsible for  
4 maintaining electric reliability.

5 (F) DATA AND METRICS.—

6 (i) IN GENERAL.—To the extent prac-  
7 ticable, award recipients shall utilize the  
8 most current data, metrics, and frame-  
9 works related to—

10 (I) electricity delivery infrastruc-  
11 ture hardening and enhancing resil-  
12 ience and reliability; and

13 (II) current and future threats,  
14 including physical and cyber attacks,  
15 electromagnetic pulse, geomagnetic  
16 disturbances, seismic events, and se-  
17 vere weather and other environmental  
18 stressors.

19 (ii) METRICS.—Award recipients shall  
20 demonstrate to the Secretary with measur-  
21 able and verifiable data how the deploy-  
22 ment of resiliency-related technologies, up-  
23 grades, and technologies achieve improve-  
24 ments in the resiliency and recovery of  
25 electricity delivery infrastructure and re-

1           lated services, including a comparison of  
2           data collected before and after deployment.  
3           Metrics for demonstrating improvements in  
4           resiliency and recovery may include—

5                   (I) power quality during power  
6                   disturbances when delivered power  
7                   does not meet power quality require-  
8                   ments of the customer;

9                   (II) duration of customer inter-  
10                  ruptions;

11                  (III) number of customers im-  
12                  pacted;

13                  (IV) cost impacts, including busi-  
14                  ness and other economic losses;

15                  (V) impacts on electricity-depend-  
16                  ent essential services and critical fa-  
17                  cilities; and

18                  (VI) societal impacts.

19           (iii) FURTHERING ENERGY ASSUR-  
20           ANCE PLANS.—Award recipients shall dem-  
21           onstrate to the Secretary how projects or  
22           programs established, or to be established,  
23           pursuant to awards provided under this  
24           paragraph further applicable State and  
25           local energy assurance plans.

1 (G) MATCHING CONTRIBUTIONS.—The  
2 Secretary may not make a grant under this  
3 paragraph unless the applicant agrees to make  
4 available non-Federal contributions (which may  
5 include in-kind contributions) in an amount not  
6 less than 50 percent of the Federal contribu-  
7 tion.

8 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated (and drawdowns and  
10 sales under subsection (c) in an equal amount are author-  
11 ized)—

12 (1) for carrying out subsection (d)(2),  
13 \$150,000,000 for the period encompassing fiscal  
14 years 2017 through 2026, of which not more than  
15 5 percent may be used for administrative expenses;  
16 and

17 (2) for carrying out subsection (d)(3),  
18 \$150,000,000 for the period encompassing fiscal  
19 years 2017 through 2026, of which not more than  
20 5 percent may be used for administrative expenses.

21 (f) TRANSMISSION OF DEPARTMENT BUDGET RE-  
22 QUESTS.—The Secretary of Energy shall prepare and sub-  
23 mit in the Department’s annual budget request to Con-  
24 gress—

1           (1) an itemization of the amounts of funds nec-  
2           essary to carry out subsection (d); and

3           (2) a designation of any activities thereunder  
4           for which a multiyear budget authority would be ap-  
5           propriate.

6           (g) SUNSET.—The authority of the Secretary to  
7           drawdown and sell crude oil from the Strategic Petroleum  
8           Reserve under this section shall expire at the end of fiscal  
9           year 2026.

