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:

TITLE VII—ENERGY SECURITY AND INFRASTRUCTURE MODERNIZATION FUND

SEC. 7001. ENERGY SECURITY AND INFRASTRUCTURE MODERNIZATION FUND.

(a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund to be known as the Energy Security and Infrastructure Modernization Fund (referred to in this section as the “Fund”), consisting of—

(1) collections deposited in the Fund under subsection (c); and

(2) amounts otherwise appropriated to the Fund.

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

(1) to enhance the energy security of the United States by increasing the resilience, reliability, safety, and security of energy supply, transmission, storage, or distribution infrastructure.
(c) COLLECTION AND DEPOSIT OF SALE PROCEEDS
IN FUND.—

(1) DRAWDOWN AND SALE.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), to the extent provided in advance in appropriation Acts, the Secretary of Energy shall draw down and sell crude oil from the Strategic Petroleum Reserve in amounts as authorized under subsection (e), except as provided in paragraphs (2) and (3). Amounts received for a sale under this subsection shall be deposited into the Fund during the fiscal year in which the sale occurs. Such amounts shall remain available in the Fund without fiscal year limitation.

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

(3) INVESTMENT PROTECTION.—The Secretary shall not draw down and sell crude oil under this subsection at a price lower than the average price paid for oil in the Strategic Petroleum Reserve.
(d) Authorized Uses of Fund.—

(1) In general.—Amounts in the Fund may be used for, or may be credited as offsetting collections for amounts used for, carrying out the programs described in paragraphs (2) and (3), to the extent provided in advance in appropriation Acts.

(2) Program to Enhance Safety, Performance, and Resilience of Natural Gas Distribution Systems.—

(A) Finding.—Cost-effective efforts to replace cast and wrought iron and bare steel pipes and other leak prone components of the natural gas distribution system can improve both the public safety and environmental performance of the system, and these efforts can be accelerated while minimizing the financial impact on low-income households.

(B) Establishment of Program.—The Secretary of Energy shall establish a competitive program to provide financial assistance to States to incentivize natural gas distribution companies to accelerate or expand utility programs that improve the public safety and environmental performance of the natural gas distribution system through investment in—
(i) accelerated replacement of cast and wrought iron and bare steel pipes and other leak-prone components of the system; and

(ii) enhanced inspection and maintenance programs for the system.

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

(D) ELIGIBLE PROGRAMS.—Awards may be provided under subsection (b) only for replacement, inspection, and maintenance programs established or expanded after the date of enactment of this Act.

(E) AWARD LIMITS.—Awards provided to States under subsection (b) shall be for transitional assistance for a period not to exceed 10 years.

(F) PROGRAM REQUIREMENTS.—Applicants for awards under subsection (b) shall demonstrate how financial assistance will be in-
tegrated in rate-setting programs and applied to targeted beneficiaries.

(G) PRIORITY. — In making awards under this section, the Secretary shall prioritize applications based on—

(i) calculated benefits for public safety;

(ii) the magnitude of methane emissions reductions;

(iii) innovation in technical and policy approaches;

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

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

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

(3) PROGRAM TO ENHANCE ELECTRIC INFRA-STRUCTURE RESILIENCE, RELIABILITY, AND ENERGY SECURITY.—
(A) Program.—The Secretary shall establish a competitive grant program to provide grants to States, units of local government, and Indian tribe economic development entities to enhance energy security through measures for electricity delivery infrastructure hardening and enhanced resilience and reliability.

(B) Purpose of Grants.—The Secretary may make grants on a competitive basis to enable broader use of resiliency-related technologies, upgrades, and institutional measures and practices designed to—

(i) improve the resilience, reliability, and security of electricity delivery infrastructure;

(ii) improve preparedness and restoration time to mitigate power disturbances resulting from physical and cyber attacks, electromagnetic pulse attacks, geomagnetic disturbances, seismic events, and severe weather and other environmental stressors;

(iii) continue delivery of power to facilities critical to public health, safety, and welfare, including hospitals, assisted living facilities, and schools;
(iv) continue delivery of power to electricity-dependent essential services, including fueling stations and pumps, wastewater and sewage treatment facilities, gas pipeline infrastructure, communications systems, transportation services and systems, and services provided by emergency first responders; and

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

(C) EXAMPLES.—Resiliency-related technologies, upgrades, and measures with respect to which grants may be made under this paragraph include—

(i) hardening, or other enhanced protection, of utility poles, wiring, cabling, and other distribution components, facilities, or structures;

(ii) advanced grid technologies capable of isolating or repairing problems remotely, such as advanced metering infrastructure, high-tech sensors, grid monitoring and control systems, and remote reconfiguration and redundancy systems;
(iii) cybersecurity products and components;

(iv) distributed generation, including back-up generation to power critical facilities and essential services, and related integration components, such as advanced inverter technology;

(v) microgrid systems, including hybrid microgrid systems for isolated communities;

(vi) combined heat and power;

(vii) waste heat resources;

(viii) non-grid-scale energy storage technologies;

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

(x) electronically controlled reclosers and similar technologies for power restoration, including emergency mobile substations, as defined in section 1105;

(xi) advanced energy analytics technology, such as Internet-based and cloud
based computing solutions and subscription licensing models;

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

(xiii) operational capabilities to enhance resilience through rapid response recovery; and

(xiv) measures to ensure availability of key critical components through contracts, cooperative agreements, stockpiling and prepositioning, or other measures.

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

(E) COOPERATION.—In carrying out projects or programs established, or to be established, pursuant to awards provided under this paragraph, award recipients shall cooperate, as applicable, with—

(i) State public utility commissions;

(ii) State energy offices;
(iii) electric infrastructure owners and operators; and

(iv) other entities responsible for maintaining electric reliability.

(F) DATA AND METRICS.—

(i) IN GENERAL.—To the extent practicable, award recipients shall utilize the most current data, metrics, and frameworks related to—

(I) electricity delivery infrastructure hardening and enhancing resilience and reliability; and

(II) current and future threats, including physical and cyber attacks, electromagnetic pulse, geomagnetic disturbances, seismic events, and severe weather and other environmental stressors.

(ii) METRICS.—Award recipients shall demonstrate to the Secretary with measurable and verifiable data how the deployment of resiliency-related technologies, upgrades, and technologies achieve improvements in the resiliency and recovery of electricity delivery infrastructure and re-
lated services, including a comparison of data collected before and after deployment. Metrics for demonstrating improvements in resiliency and recovery may include—

(I) power quality during power disturbances when delivered power does not meet power quality requirements of the customer;

(II) duration of customer interruptions;

(III) number of customers impacted;

(IV) cost impacts, including business and other economic losses;

(V) impacts on electricity-dependent essential services and critical facilities; and

(VI) societal impacts.

(iii) FURTHERING ENERGY ASSURANCE PLANS.—Award recipients shall demonstrate to the Secretary how projects or programs established, or to be established, pursuant to awards provided under this paragraph further applicable State and local energy assurance plans.
(G) Matching Contributions.—The Secretary may not make a grant under this paragraph unless the applicant agrees to make available non-Federal contributions (which may include in-kind contributions) in an amount not less than 50 percent of the Federal contribution.

(e) Authorization of Appropriations.—There are authorized to be appropriated (and drawdowns and sales under subsection (c) in an equal amount are authorized)—

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

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

(f) Transmission of Department Budget Requests.—The Secretary of Energy shall prepare and submit in the Department’s annual budget request to Congress—
(1) an itemization of the amounts of funds necessary to carry out subsection (d); and

(2) a designation of any activities thereunder for which a multiyear budget authority would be appropriate.

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