AMENDMENT TO THE RULES COMMITTEE PRINT
OF H.R. 3409
OFFERED BY MR. MARKEY OF MASSACHUSETTS

At the end of the Rules Committee Print, add the following new title:

TITLE VI—COMBINED EFFICIENCY AND RENEWABLE ELECTRICITY STANDARD

SEC. 601. COMBINED EFFICIENCY AND RENEWABLE ELECTRICITY STANDARD.

(a) DEFINITIONS.—For purposes of this section:

(1) DISTRIBUTED RENEWABLE GENERATION FACILITY.—The term “distributed renewable generation facility” means a facility that—

(A) generates renewable electricity;

(B) primarily serves 1 or more electricity consumers at or near the facility site; and

(C) is no greater than 2 megawatts in capacity.

(2) ELECTRIC CONSUMER.—The term “electric consumer” has the meaning given that term in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602).
(3) ELECTRIC UTILITY.—The term “electric utility” has the meaning given that term in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602), except that, for the purposes of this section, such term does not include any agency, authority, or instrumentality of the United States Government.

(4) ELECTRICITY SAVINGS.—The term “electricity savings” means reductions in electricity consumption, relative to business-as-usual projections, achieved through measures implemented after the date of enactment of this section.

(5) FEDERAL RENEWABLE ELECTRICITY CREDIT.—The term “Federal renewable electricity credit” means a credit, representing one megawatt hour of renewable electricity, issued pursuant to subsection (e).

(6) RENEWABLE ELECTRICITY.—The term “renewable electricity” means electricity generated (including by means of a fuel cell) from a renewable energy resource.

(7) RENEWABLE ENERGY RESOURCE.—The term “renewable energy resource” means each of the following:

(A) Wind energy.
(B) Solar energy.

(C) Geothermal energy.

(D) Renewable biomass.

(E) Biogas or biofuels derived from renewable biomass.

(F) Hydropower generated by a hydroelectric facility placed in service after January 1, 2001.

(G) Marine and hydrokinetic renewable energy, as that term is defined in section 632 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17211).

(H) Such other energy resources as the Secretary determines appropriate.

(8) RETAIL ELECTRIC SUPPLIER.—The term “retail electric supplier” means, for any given year, an electric utility that sold not less than 1,000,000 megawatt hours of electric energy to electric consumers for purposes other than resale during the preceding calendar year.

(9) RETAIL ELECTRIC SUPPLIER’S BASE AMOUNT.—The term “retail electric supplier’s base amount” means the total amount of electric energy sold by the retail electric supplier, expressed in megawatt hours, to electric customers for purposes
other than resale during the relevant calendar year, excluding—

(A) electricity generated by a hydroelectric facility that was placed in service prior to January 1, 2001;

(B) electricity generated by the combustion of municipal solid waste;

(C) electricity generated by a nuclear generating unit placed in service after the date of enactment of this section; and

(D) the proportion of electricity generated by a fossil-fueled generating unit that is equal to the proportion of greenhouse gases produced by such unit that are captured and geologically sequestered.

(10) SECRETARY.—The term “Secretary” means the Secretary of Energy.

(11) TOTAL ANNUAL ELECTRICITY SAVINGS.—The term “total annual electricity savings” means electricity savings during a specified calendar year from measures implemented since the date of the enactment of this section, taking into account verified measure lifetimes or verified annual savings attrition rates, as determined in accordance with such regula-
tions as the Secretary may promulgate and measured in megawatt hours.

(b) ANNUAL COMPLIANCE OBLIGATION.—

(1) IN GENERAL.—For each of calendar years 2014 through 2040, not later than March 31 of the following calendar year, each retail electric supplier shall submit to the Secretary an amount of Federal renewable electricity credits and demonstrated total annual electricity savings that, in the aggregate, is equal to such retail electric supplier’s annual combined target as set forth in subsection (d), except as otherwise provided in subsection (g).

(2) DEMONSTRATION OF SAVINGS.—For purposes of this subsection, submission of demonstrated total annual electricity savings means submission of a report that demonstrates, in accordance with the requirements of subsection (f), the total annual electricity savings achieved by the retail electric supplier within the relevant compliance year.

(3) RENEWABLE ELECTRICITY CREDITS PORTION.—Except as provided in paragraph (4), each retail electric supplier must submit Federal renewable electricity credits equal to at least three quarters of the retail electric supplier’s annual combined target.
(4) **STATE PETITION.**—Upon written request from the Governor of any State (including, for purposes of this paragraph, the Mayor of the District of Columbia), the Secretary shall increase, to not more than half, the proportion of the annual combined targets of retail electric suppliers located within such State that may be met through submission of demonstrated total annual electricity savings, provided that such increase shall be effective only with regard to the portion of a retail electric supplier’s annual combined target that is attributable to electricity sales within such State.

(c) **ESTABLISHMENT OF PROGRAM.**—Not later than 1 year after the date of enactment of this section, the Secretary shall promulgate regulations to implement and enforce the requirements of this section.

(d) **ANNUAL COMPLIANCE REQUIREMENT.**—

(1) **ANNUAL COMBINED TARGETS.**—For each of calendar years 2014 through 2040, a retail electric supplier’s annual combined target shall be the product of—

(A) the required annual percentage for such year, as set forth in paragraph (2); and

(B) the retail electric supplier’s base amount for such year.
(2) **REQUIRED ANNUAL PERCENTAGE.**—

(A) **IN GENERAL.**—For each of calendar years 2014 through 2040, the required annual percentage shall be as follows:

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<th>Year</th>
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<td>2035 through 2040</td>
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(B) **ADJUSTMENTS PERMITTED.**—The Secretary may adjust the required annual percentages described in subparagraph (A) if the Secretary finds that such percentages are not technically or economically feasible or pose a threat to electric reliability.

(e) **FEDERAL RENEWABLE ELECTRICITY CREDITS.**—

(1) **IN GENERAL.**—The regulations promulgated under this section shall include provisions governing
the issuance, tracking, and verification of Federal renewable electricity credits. Except as provided in paragraph (2) of this subsection, the Secretary shall issue to each generator of renewable electricity, 1 Federal renewable electricity credit for each megawatt hour of renewable electricity generated by such generator after December 31, 2013. The Secretary shall assign a unique serial number to each Federal renewable electricity credit.

(2) **Credit Multiplier for Distributed Renewable Generation.**—The Secretary shall issue 3 Federal renewable electricity credits for each megawatt hour of renewable electricity generated by a distributed renewable generation facility.

(3) **Trading.**—The lawful holder of a Federal renewable electricity credit may sell, exchange, transfer, submit for compliance in accordance with subsection (b).

(4) **Banking.**—A Federal renewable electricity credit may be submitted in satisfaction of the compliance obligation set forth in subsection (b) for the compliance year in which the credit was issued or for any of the 3 immediately subsequent compliance years.

(f) **Electricity Savings.**—
(1) Standards for measurement of savings.—As part of the regulations promulgated under this section, the Secretary shall prescribe standards and protocols for defining and measuring electricity savings and total annual electricity savings that can be counted towards the compliance obligation set forth in subsection (b).

(2) Reporting savings.—The regulations promulgated under this section shall establish requirements governing the submission of reports to demonstrate, in accordance with the protocols and standards for measurement and verification established under this subsection, the total annual electricity savings achieved by a retail electric supplier within the relevant year.

(g) Alternative Compliance Payments.—

(1) In general.—A retail electric supplier may satisfy the requirements of subsection (b) in whole or in part by submitting in accordance with this subsection, in lieu of each Federal renewable electricity credit or megawatt hour of demonstrated total annual electricity savings that would otherwise be due, a payment equal to $25, adjusted for inflation on January 1 of each year following calendar...
year 2014, in accordance with such regulations as
the Secretary may promulgate.

(2) PAYMENTS.—Payments made under this
subsection shall be deposited into the general fund
of the Treasury and shall be available, subject to ap-
propriations, to the Secretary for the administrative
costs of implementing this section.