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(Original Signature of Member)

110TH CONGRESS  
2D SESSION

# H. R.

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To greatly enhance the Nation's path toward energy independence and environmental, energy, economic, and national security, by amending Federal policy to increase the production of domestic energy sources, to dedicate fixed percentages of the royalties received for conservation programs, environmental restoration projects, renewable energy research and development, clean energy technology research and development, increased development of existing energy sources, and energy assistance for those in need, and to share a portion of such royalties with producing States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. PETERSON of Pennsylvania (for himself, Mr. ABERCROMBIE, and [see ATTACHED LIST of cosponsors]) introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## A BILL

To greatly enhance the Nation's path toward energy independence and environmental, energy, economic, and national security, by amending Federal policy to increase the production of domestic energy sources, to dedicate fixed percentages of the royalties received for conservation programs, environmental restoration projects, renewable energy research and development, clean energy technology research and development, increased development of existing energy sources, and energy assistance for

those in need, and to share a portion of such royalties with producing States, 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.**

4 This Act may be cited as the “National Conservation,  
 5 Environment, and Energy Independence Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

**TITLE I—OFFSHORE AND ONSHORE LEASING AND OTHER  
 ENERGY PRODUCTION**

Sec. 101. Termination of prohibitions on expenditures for, and withdrawals from, offshore and onshore leasing and other limitations on energy production.

Sec. 102. Outer continental shelf leasing program.

Sec. 103. Sharing of revenues.

Sec. 104. Policies regarding buying and building American.

Sec. 105. Elimination of other restrictions on use of energy alternatives.

**TITLE II—CLEANER ENERGY PRODUCTION AND ENERGY  
 CONSERVATION INCENTIVES**

Sec. 201. Extension of renewable energy credit.

Sec. 202. Extension of credit for alternative fuel vehicles.

Sec. 203. Extension of alternative fuel vehicle refueling property credit.

Sec. 204. Extension of credit for energy efficient appliances.

Sec. 205. Extension of credit for nonbusiness energy property.

Sec. 206. Extension of credit for residential energy efficient property.

Sec. 207. Extension of new energy efficient home credit.

Sec. 208. Extension of energy efficient commercial buildings deduction.

Sec. 209. Extension of energy credit.

Sec. 210. Extension of credit for clean renewable energy bonds.

Sec. 211. Extension of credits for biodiesel and renewable diesel.

Sec. 212. Credit for plug-in hybrid vehicles.

**TITLE III—MODIFYING THE STRATEGIC PETROLEUM RESERVE  
 AND FUNDING CONSERVATION AND ENERGY RESEARCH AND  
 DEVELOPMENT**

Sec. 301. Findings.

Sec. 302. Definitions.

Sec. 303. Objectives.

Sec. 304. Modification of the Strategic Petroleum Reserve.

Sec. 305. Energy Independence and Security Fund.

1 **TITLE I—OFFSHORE AND ON-**  
2 **SHORE LEASING AND OTHER**  
3 **ENERGY PRODUCTION**

4 **SEC. 101. TERMINATION OF PROHIBITIONS ON EXPENDI-**  
5 **TURES FOR, AND WITHDRAWALS FROM, OFF-**  
6 **SHORE AND ONSHORE LEASING AND OTHER**  
7 **LIMITATIONS ON ENERGY PRODUCTION.**

8 (a) PROHIBITIONS ON EXPENDITURES.—All provi-  
9 sions of Federal law that prohibit the expenditure of ap-  
10 propriated funds to conduct natural gas, oil, oil shale, and  
11 other energy production leasing and preleasing activities  
12 for Federal lands shall have no force or effect with respect  
13 to such activities.

14 (b) REVOCATION WITHDRAWALS.—All withdrawals  
15 of Federal submerged lands of the Outer Continental Shelf  
16 from leasing, including withdrawals by the President  
17 under the authority of section 12(a) of the Outer Conti-  
18 nental Shelf Lands Act (43 U.S.C. 1341(a)), are hereby  
19 revoked and are no longer in effect with respect to the  
20 leasing of areas for exploration for, and development and  
21 production of natural gas and oil.

22 (c) GULF OF MEXICO OIL AND GAS.—Section 104  
23 of division C of the Tax Relief and Health Care Act of  
24 2006 (Public Law 109–432; 120 Stat. 3003) is repealed.

1 (d) OIL SHALE.—Section 433 of the Department of  
2 the Interior, Environment, and Related Agencies Appro-  
3 priations Act, 2008 (division F of Public Law 110–161;  
4 121 Stat. 2152) is repealed.

5 **SEC. 102. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

6 The Outer Continental Shelf Lands Act (43 U.S.C.  
7 1331 et seq.) is amended by inserting after section 9 the  
8 following:

9 **“SEC. 10. MORATORIA AREA AND STATE DISAPPROVAL RE-**  
10 **QUIREMENT WITH RESPECT TO LEASING.**

11 “(a) PROHIBITION ON LEASING.—The Secretary may  
12 not issue any lease authorizing exploration for, or develop-  
13 ment of, natural gas or oil in any area of the outer Conti-  
14 nental Shelf that is located within 25 miles of the coastline  
15 of a State.

16 “(b) STATE DISAPPROVAL AUTHORITY.—The Sec-  
17 retary may not issue any lease authorizing exploration for,  
18 or development of, natural gas or oil in any area of the  
19 outer Continental Shelf that is located more than 25 miles  
20 and less than 50 miles from the coastline of a State if  
21 the State has enacted, within the 1-year period beginning  
22 on the date of the enactment of the National Conservation,  
23 Environment, and Energy Independence Act, a law dis-  
24 approving of the issuance of such leases by the Secretary.

1           “(c) **MILITARY OPERATIONS.**—The Secretary shall  
2 consult with the Secretary of Defense regarding military  
3 operations needs in the Outer Continental Shelf. The Sec-  
4 retary shall work with the Secretary of Defense to resolve  
5 any conflicts that might arise between such operations and  
6 leasing under this section. If the Secretaries are unable  
7 to resolve all such conflicts, any unresolved issues shall  
8 be referred by the Secretaries to the President in a timely  
9 fashion for immediate resolution.”.

10 **SEC. 103. SHARING OF REVENUES.**

11           (a) **IN GENERAL.**—Section 8(g) of the Outer Conti-  
12 nental Shelf Lands Act (43 U.S.C. 1337(g)) is amended—

13                   (1) in paragraph (2) by striking “Notwith-  
14 standing” and inserting “Except as provided in  
15 paragraph (6), and notwithstanding”;

16                   (2) by redesignating paragraphs (6) and (7) as  
17 paragraphs (8) and (9); and

18                   (3) by inserting after paragraph (5) the fol-  
19 lowing:

20                   “(6) **BONUS BIDS AND ROYALTIES UNDER**  
21 **QUALIFIED LEASES.**—

22                           “(A) **NEW LEASES.**—Of amounts received  
23 by the United States as bonus bids, royalties,  
24 rentals, and other sums collected under any  
25 qualified lease on submerged lands made avail-

1           able for leasing under this Act by the enact-  
2           ment of the National Conservation, Environ-  
3           ment, and Energy Independence Act that are  
4           located within the seaward boundaries of a  
5           State established under section 4(a)(2)(A)—

6                   “(i) 30 percent shall be deposited in  
7                   the general fund of the Treasury;

8                   “(ii) 30 percent shall be paid to the  
9                   States that are producing States with re-  
10                  spect to those submerged lands;

11                  “(iii) 8 percent shall be deposited in  
12                  the Conservation Reserve established by  
13                  paragraph (7);

14                  “(iv) 10 percent shall be deposited in  
15                  the Environment Restoration Reserve es-  
16                  tablished by paragraph (7);

17                  “(v) 15 percent shall be deposited in  
18                  the Renewable Energy Reserve established  
19                  by paragraph (7);

20                  “(vi) 5 percent shall be deposited in  
21                  the Carbon Capture/Sequestration and Nu-  
22                  clear Waste Reserve Established by para-  
23                  graph (7); and

24                  “(vii) 2 percent shall be available to  
25                  the Secretary of Health and Human Serv-

1           ices for carrying out the Low-Income  
2           Home Energy Assistance Act of 1981 (42  
3           U.S.C. 8621, et seq.).

4           “(B) LEASED TRACT THAT LIES PAR-  
5           Tially WITHIN THE SEAWARD BOUNDARIES OF  
6           A STATE.—In the case of a leased tract that lies  
7           partially within the seaward boundaries of a  
8           State, the amounts of bonus bids and royalties  
9           from such tract that are subject to subpara-  
10          graph (A)(ii) with respect to such State shall be  
11          a percentage of the total amounts of bonus bids  
12          and royalties from such tract that is equivalent  
13          to the total percentage of surface acreage of the  
14          tract that lies within such seaward boundaries.

15          “(C) USE OF PAYMENTS TO STATES.—  
16          Amounts paid to a State under subparagraph  
17          (A)(ii) shall be used by the State for one or  
18          more of the following:

19                  “(i) Education.

20                  “(ii) Transportation.

21                  “(iii) Coastal restoration, environ-  
22                  mental restoration, and beach replenish-  
23                  ment.

24                  “(iv) Energy infrastructure.

25                  “(v) Renewable energy development.

1           “(vi) Energy efficiency and conserva-  
2           tion.

3           “(vii) Any other purpose determined  
4           by State law.

5           “(D) DEFINITIONS.—In this paragraph:

6           “(i) ADJACENT STATE.—The term  
7           ‘Adjacent State’ means, with respect to  
8           any program, plan, lease sale, leased tract  
9           or other activity, proposed, conducted, or  
10          approved pursuant to the provisions of this  
11          Act, any State the laws of which are de-  
12          clared, pursuant to section 4(a)(2), to be  
13          the law of the United States for the por-  
14          tion of the outer Continental Shelf on  
15          which such program, plan, lease sale,  
16          leased tract, or activity appertains or is, or  
17          is proposed to be, conducted.

18          “(ii) ADJACENT ZONE.—The term  
19          ‘adjacent zone’ means, with respect to any  
20          program, plan, lease sale, leased tract, or  
21          other activity, proposed, conducted, or ap-  
22          proved pursuant to the provisions of this  
23          Act, the portion of the outer Continental  
24          Shelf for which the laws of a particular ad-  
25          jacent State are declared, pursuant to sec-

1                   tion 4(a)(2), to be the law of the United  
2                   States.

3                   “(iii) PRODUCING STATE.—The term  
4                   ‘producing State’ means an Adjacent State  
5                   having an adjacent zone containing leased  
6                   tracts from which are derived bonus bids  
7                   and royalties under a lease under this Act.

8                   “(iv) STATE.—The term ‘State’ in-  
9                   cludes Puerto Rico and the other terri-  
10                  tories of the United States.

11                  “(v) QUALIFIED LEASE.—The term  
12                  ‘qualified lease’ means a natural gas or oil  
13                  lease made available under this Act grant-  
14                  ed after the date of the enactment of the  
15                  National Conservation, Environment, and  
16                  Energy Independence Act, for an area that  
17                  is available for leasing as a result of enact-  
18                  ment of section 101 of that Act.

19                  “(E) APPLICATION.—This paragraph shall  
20                  apply to bonus bids and royalties received by  
21                  the United States under qualified leases after  
22                  September 30, 2008.

23                  “(7) ESTABLISHMENT OF RESERVE AC-  
24                  COUNTS.—

1           “(A) IN GENERAL.—For budgetary pur-  
2           poses, there is established as a separate account  
3           to receive deposits under paragraph (6)(A)—

4                   “(i) the Conservation Reserve, to off-  
5                   set the cost of legislation enacted after the  
6                   date of the enactment of the National Con-  
7                   servation, Environment, and Energy Inde-  
8                   pendence Act for conservation programs,  
9                   such as weatherization, and conservation  
10                  tax credits and deductions for energy effi-  
11                  ciency in the residential, commercial, in-  
12                  dustrial and public sectors, including Con-  
13                  servation Districts;

14                  “(ii) the Environment Restoration Re-  
15                  serve, to offset the cost of legislation en-  
16                  acted after the date of the enactment of  
17                  the National Conservation, Environment,  
18                  and Energy Independence Act to conduct  
19                  restoration activities to improve the overall  
20                  health of the ecosystems primarily or en-  
21                  tirely within wildlife refuges, national  
22                  parks, lakes, bays, rivers, and streams, in-  
23                  cluding the Great Lakes, the Chesapeake  
24                  and Delaware Bays, the San Francisco  
25                  Bay/Sacramento San Joaquin Bay Delta,

1 the Florida Everglades, New York Harbor,  
2 the Colorado River Basin, and Intracoastal  
3 Waterways and inlets that serve them;

4 “(iii) the Renewable Energy Reserve,  
5 to offset the cost of legislation enacted  
6 after the date of the enactment of the Na-  
7 tional Conservation, Environment, and En-  
8 ergy Independence Act to accelerate the  
9 use of cleaner domestic energy resources  
10 and alternative fuels; to promote the utili-  
11 zation of energy-efficient products and  
12 practices; and to increase research, devel-  
13 opment, and deployment of clean renew-  
14 able energy and efficiency technologies and  
15 job training programs for those purposes;  
16 and

17 “(iv) the Carbon Capture and Seques-  
18 tration Reserve, to offset the cost of legis-  
19 lation enacted after the date of the enact-  
20 ment of the National Conservation, Envi-  
21 ronment, and Energy Independence Act to  
22 promote research and development projects  
23 associated with carbon capture and storage  
24 in the production of liquid transportation  
25 fuels, synthetic natural gas, chemical feed-

1 stocks, and electricity, and for the disposi-  
2 tion and recycling/reprocessing of nuclear  
3 waste from nuclear power plants.

4 “(B) PROCEDURE FOR ADJUSTMENTS.—

5 “(i) BUDGET COMMITTEE CHAIR-  
6 MAN.—After the reporting of a bill or joint  
7 resolution, or the offering of an amend-  
8 ment thereto or the submission of a con-  
9 ference report thereon, providing funding  
10 for the purposes set forth in clause (i), (ii),  
11 (iii), or (iv) of subparagraph (A) in excess  
12 of the amount of the deposits under para-  
13 graph (6)(A) for those purposes for fiscal  
14 year 2009, the chairman of the Committee  
15 on the Budget of the applicable House of  
16 Congress shall make the adjustments set  
17 forth in clause (ii) for the amount of new  
18 budget authority and outlays in that meas-  
19 ure and the outlays flowing from that  
20 budget authority.

21 “(ii) MATTERS TO BE ADJUSTED.—  
22 The adjustments referred to in clause (i)  
23 are to be made to—

24 “(I) the discretionary spending  
25 limits, if any, set forth in the appro-

1           appropriate concurrent resolution on the  
2           budget;

3                       “(II) the allocations made pursu-  
4                       ant to the appropriate concurrent res-  
5                       olution on the budget pursuant to sec-  
6                       tion 302(a) of the Congressional  
7                       Budget Act of 1974; and

8                       “(III) the budget aggregates con-  
9                       tained in the appropriate concurrent  
10                      resolution on the budget as required  
11                      by section 301(a) of the Congressional  
12                      Budget Act of 1974.

13                     “(iii) AMOUNTS OF ADJUSTMENTS.—  
14                     The adjustments referred to in clauses (i)  
15                     and (ii) shall not exceed the receipts esti-  
16                     mated by the Congressional Budget Office  
17                     that are attributable to this Act for the fis-  
18                     cal year in which the adjustments are  
19                     made.

20                     “(C) EXPENDITURES ONLY BY SECRETARY  
21                     OF THE INTERIOR IN CONSULTATION.—Legisla-  
22                     tion shall not be treated as legislation referred  
23                     to in subparagraph (A) unless any expenditure  
24                     under such legislation for a purpose referred to  
25                     in that subparagraph may be made only after

1           consultation with the Administrator of the En-  
2           vironmental Protection Agency, the Adminis-  
3           trator of the National Oceanic and Atmospheric  
4           Administration, the Secretary of the Army act-  
5           ing through the Corps of Engineers, and, as ap-  
6           propriate, the Secretary of State.

7           “(8) MAINTENANCE OF EFFORT BY STATES.—  
8           The Secretary of the Interior, the Secretary of  
9           Health and Human Services, the Secretary of En-  
10          ergy, and any other Federal official with authority  
11          to implement legislation referred to in paragraph  
12          (6)(A) shall ensure that financial assistance provided  
13          to a State under that legislation for any purpose  
14          with amounts made available under this subsection  
15          or in any legislation with respect to which paragraph  
16          (7) applies supplement, and do not replace, the  
17          amounts expended by the State for that purpose be-  
18          fore the date of the enactment of the National Con-  
19          servation, Environment, and Energy Independence  
20          Act”.

21          (b) ESTABLISHMENT OF STATE SEAWARD BOUND-  
22          ARIES.—Section 4(a)(2)(A) of the Outer Continental Shelf  
23          Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the  
24          first sentence by striking “, and the President” and all  
25          that follows through the end of the sentence and inserting

1 the following: “. Such extended lines are deemed to be as  
2 indicated on the maps for each Outer Continental Shelf  
3 region entitled ‘Alaska OCS Region State Adjacent Zone  
4 and OCS Planning Areas’, ‘Pacific OCS Region State Ad-  
5 jacent Zones and OCS Planning Areas’, ‘Gulf of Mexico  
6 OCS Region State Adjacent Zones and OCS Planning  
7 Areas’, and ‘Atlantic OCS Region State Adjacent Zones  
8 and OCS Planning Areas’, all of which are dated Sep-  
9 tember 2005 and on file in the Office of the Director, Min-  
10 erals Management Service. The preceding sentence shall  
11 not apply with respect to the treatment under section 105  
12 of the Gulf of Mexico Energy Security Act of 2006 (title  
13 I of division C of Public Law 109–432) of qualified outer  
14 Continental Shelf revenues deposited and disbursed under  
15 subsection (a)(2) of that section.”.

16 **SEC. 104. POLICIES REGARDING BUYING AND BUILDING**  
17 **AMERICAN.**

18 (a) INTENT OF CONGRESS.—It is the intent of the  
19 Congress that this Act, among other things, result in a  
20 healthy and growing American industrial, manufacturing,  
21 transportation, and service sector employing the vast tal-  
22 ents of America’s workforce to assist in the development  
23 of energy from domestic sources. Moreover, the Congress  
24 intends to monitor the deployment of personnel and mate-  
25 rial onshore and offshore to encourage the development

1 of American technology and manufacturing to enable  
2 United States workers to benefit from this Act by good  
3 jobs and careers, as well as the establishment of important  
4 industrial facilities to support expanded access to Amer-  
5 ican resources.

6 (b) SAFEGUARD FOR EXTRAORDINARY ABILITY.—  
7 Section 30(a) of the Outer Continental Shelf Lands Act  
8 (43 U.S.C. 1356(a)) is amended in the matter preceding  
9 paragraph (1) by striking “regulations which” and insert-  
10 ing “regulations that shall be supplemental and com-  
11 plimentary with and under no circumstances a substi-  
12 tution for the provisions of the Constitution and laws of  
13 the United States extended to the subsoil and seabed of  
14 the outer Continental Shelf pursuant to section 4 of this  
15 Act, except insofar as such laws would otherwise apply to  
16 individuals who have extraordinary ability in the sciences,  
17 arts, education, or business, which has been demonstrated  
18 by sustained national or international acclaim, and that”.

19 **SEC. 105. ELIMINATION OF OTHER RESTRICTIONS ON USE**  
20 **OF ENERGY ALTERNATIVES.**

21 (a) RENEWABLE BIOMASS.—Section 211(o)(1)(I) of  
22 the Clean Air Act (42 U.S.C. 7545(o)(1)(I)) is amended  
23 effective January 1, 2009—

24 (1) in clause (ii), by striking “on non-federal  
25 land”; and

1           (2) in clause (iv), by striking “that are from  
2           non-federal forestlands, including forestlands” and  
3           inserting “from forestlands, including those on pub-  
4           lic lands and those”.

5           (b) ALTERNATIVE FUELS.—Section 526 of the En-  
6           ergy Independence and Security Act of 2007 (42 U.S.C.  
7           17142) is repealed.

8           (c) LIMITATION ON NUMBER OF NEW QUALIFIED  
9           HYBRID ADVANCED LEAN-BURN TECHNOLOGY VEHI-  
10          CLES.—Section 30B of the Internal Revenue Code of 1986  
11          is amended by striking subsection (f).

12       **TITLE II—CLEANER ENERGY**  
13       **PRODUCTION AND ENERGY**  
14       **CONSERVATION INCENTIVES**

15       **SEC. 201. EXTENSION OF RENEWABLE ENERGY CREDIT.**

16          Each of the following provisions of section 45(d) of  
17          the Internal Revenue Code of 1986 (relating to qualified  
18          facilities) is amended by striking “January 1, 2009” and  
19          inserting “January 1, 2013”:

20               (1) Paragraph (1) (relating to wind facility).

21               (2) Clauses (i) and (ii) of paragraph (2)(A) (re-  
22               lating to closed-loop biomass facility).

23               (3) Clauses (i)(I) and (ii) of paragraph (3)(A)  
24               (relating to (open-loop biomass facility).

1 (4) Paragraph (4) (relating to geothermal en-  
2 ergy facility).

3 (5) Paragraph (5) (relating to small irrigation  
4 power facility).

5 (6) Paragraph (6) (relating to landfill gas facili-  
6 ties).

7 (7) Paragraph (7) (relating to trash combustion  
8 facilities).

9 (8) Paragraph (8) (relating to refined coal pro-  
10 duction facility).

11 (9) Subparagraphs (A) and (B) of paragraph  
12 (9) (relating to qualified hydropower facility).

13 **SEC. 202. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL**  
14 **VEHICLES.**

15 Paragraphs (2), (3), and (4) of section 30B(j) of the  
16 Internal Revenue Code of 1986 are each amended by  
17 striking the date therein and inserting “December 31,  
18 2014”.

19 **SEC. 203. EXTENSION OF ALTERNATIVE FUEL VEHICLE RE-**  
20 **FUELING PROPERTY CREDIT.**

21 (a) IN GENERAL.—Paragraph (2) of section 30C(g)  
22 of such Code (relating to termination) is amended by  
23 striking “December 31, 2009” and inserting “December  
24 31, 2010”.

1 (b) ALTERNATIVE FUELS.—Paragraph (1) of section  
2 30C(g) of the Internal Revenue Code of 1986 is amended  
3 by striking “hydrogen,” inserting “hydrogen or alternative  
4 fuels (as defined in section 30B(e)(4)(B)).”.

5 **SEC. 204. EXTENSION OF CREDIT FOR ENERGY EFFICIENT**  
6 **APPLIANCES.**

7 (a) IN GENERAL.—Subsection (b) of section 45M of  
8 the Internal Revenue Code of 1986 (relating to applicable  
9 amount) is amended by striking “calendar year 2006 or  
10 2007” each place it appears in paragraphs (1)(A)(i),  
11 1(1)(B)(i), (1)(C)(ii)(I), and (1)(C)(iii)(I), and inserting  
12 “calendar year 2006, 2007, 2008, 2009, 2010, 2011,  
13 2012, or 2013”.

14 (b) RESTART OF CREDIT LIMITATION.—Paragraph  
15 (1) of section 45M(e) of such Code (relating to aggregate  
16 credit amount allowed) is amended by inserting “begin-  
17 ning after December 31, 2007” after “for all prior taxable  
18 years”.

19 (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to appliances produced after De-  
21 cember 31, 2007.

22 **SEC. 205. EXTENSION OF CREDIT FOR NONBUSINESS EN-**  
23 **ERGY PROPERTY.**

24 (a) IN GENERAL.—Section 25C(g) of the Internal  
25 Revenue Code of 1986 (relating to termination) is amend-

1 ed by striking “December 31, 2007” and inserting “De-  
2 cember 31, 2013”.

3 (b) **EFFECTIVE DATE.**—The amendment made by  
4 this section shall apply to property placed in service after  
5 December 31, 2007.

6 **SEC. 206. EXTENSION OF CREDIT FOR RESIDENTIAL EN-  
7 ERGY EFFICIENT PROPERTY.**

8 Section 25D(g) of the Internal Revenue Code of 1986  
9 (relating to termination) is amended by striking “Decem-  
10 ber 31, 2008” and inserting “December 31, 2014”.

11 **SEC. 207. EXTENSION OF NEW ENERGY EFFICIENT HOME  
12 CREDIT.**

13 Subsection (g) of section 45L of the Internal Revenue  
14 Code of 1986 (relating to termination) is amended by  
15 striking “December 31, 2008” and inserting “December  
16 31, 2013”.

17 **SEC. 208. EXTENSION OF ENERGY EFFICIENT COMMERCIAL  
18 BUILDINGS DEDUCTION.**

19 Section 179D(h) of the Internal Revenue Code of  
20 1986 (relating to termination) is amended by striking  
21 “December 31, 2008” and inserting “December 31,  
22 2013”.

23 **SEC. 209. EXTENSION OF ENERGY CREDIT.**

24 (a) **SOLAR ENERGY PROPERTY.**—Paragraphs  
25 (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal

1 Revenue Code of 1986 (relating to energy credit) are each  
2 amended by striking “January 1, 2009” and inserting  
3 “January 1, 2017”.

4 (b) FUEL CELL PROPERTY.—Subparagraph (E) of  
5 section 48(c)(1) of such Code (relating to qualified fuel  
6 cell property) is amended by striking “December 31,  
7 2008” and inserting “December 31, 2016”.

8 (c) MICROTURBINE PROPERTY.—Subparagraph (E)  
9 of section 48(c)(2) of such Code (relating to qualified  
10 microturbine property) is amended by striking “December  
11 31, 2008” and inserting “December 31, 2013”.

12 **SEC. 210. EXTENSION OF CREDIT FOR CLEAN RENEWABLE**  
13 **ENERGY BONDS.**

14 (a) EXTENSION.—Section 54(m) of the Internal Rev-  
15 enue Code of 1986 (relating to termination) is amended  
16 by striking “December 31, 2008” and inserting “Decem-  
17 ber 31, 2013”.

18 **SEC. 211. EXTENSION OF CREDITS FOR BIODIESEL AND RE-**  
19 **NEWABLE DIESEL.**

20 (a) IN GENERAL.—Sections 40A(g), 6426(e)(6), and  
21 6427(e)(5)(B) of the Internal Revenue Code of 1986 are  
22 each amended by striking “December 31, 2008” and in-  
23 serting “December 31, 2013”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to fuel produced, and sold or used,  
3 after December 31, 2008.

4 **SEC. 212. CREDIT FOR PLUG-IN HYBRID VEHICLES.**

5 (a) IN GENERAL.—Subpart B of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 (relating to other credits) is amended by adding at  
8 the end the following new section:

9 **“SEC. 30D. PLUG-IN HYBRID VEHICLES.**

10 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
11 lowed as a credit against the tax imposed by this chapter  
12 for the taxable year an amount equal to the sum of the  
13 credit amounts determined under subsection (b) with re-  
14 spect to each qualified plug-in hybrid vehicle placed in  
15 service by the taxpayer during the taxable year.

16 “(b) PER VEHICLE DOLLAR LIMITATION.—

17 “(1) IN GENERAL.—The amount determined  
18 under this subsection with respect to any qualified  
19 plug-in hybrid vehicle is the sum of the amounts de-  
20 termined under paragraphs (2) and (3) with respect  
21 to such vehicle.

22 “(2) BASE AMOUNT.—The amount determined  
23 under this paragraph is \$4,000.

24 “(3) BATTERY CAPACITY.—In the case of vehi-  
25 cle which draws propulsion energy from a battery

1 with not less than 5 kilowatt hours of capacity, the  
2 amount determined under this paragraph is \$200,  
3 plus \$200 for each kilowatt hour of capacity in ex-  
4 cess of 5 kilowatt hours. The amount determined  
5 under this paragraph shall not exceed \$2,000.

6 “(c) APPLICATION WITH OTHER CREDITS.—

7 “(1) BUSINESS CREDIT TREATED AS PART OF  
8 GENERAL BUSINESS CREDIT.—So much of the credit  
9 which would be allowed under subsection (a) for any  
10 taxable year (determined without regard to this sub-  
11 section) that is attributable to property of a char-  
12 acter subject to an allowance for depreciation shall  
13 be treated as a credit listed in section 38(b) for such  
14 taxable year (and not allowed under subsection (a)).

15 “(2) PERSONAL CREDIT.—

16 “(A) IN GENERAL.—For purposes of this  
17 title, the credit allowed under subsection (a) for  
18 any taxable year (determined after application  
19 of paragraph (1)) shall be treated as a credit  
20 allowable under subpart A for such taxable  
21 year.

22 “(B) LIMITATION BASED ON AMOUNT OF  
23 TAX.—In the case of a taxable year to which  
24 section 26(a)(2) does not apply, the credit al-  
25 lowed under subsection (a) for any taxable year

1 (determined after application of paragraph (1))  
2 shall not exceed the excess of—

3 “(i) the sum of the regular tax liabil-  
4 ity (as defined in section 26(b)) plus the  
5 tax imposed by section 55, over

6 “(ii) the sum of the credits allowable  
7 under subpart A (other than this section  
8 and sections 23 and 25D) and section 27  
9 for the taxable year.

10 “(d) QUALIFIED PLUG-IN HYBRID VEHICLE.—For  
11 purposes of this section—

12 “(1) IN GENERAL.—The term ‘qualified plug-in  
13 hybrid vehicle’ means a motor vehicle (as defined in  
14 section 30(c)(2))—

15 “(A) the original use of which commences  
16 with the taxpayer,

17 “(B) which is acquired for use or lease by  
18 the taxpayer and not for resale,

19 “(C) which is made by a manufacturer,

20 “(D) which has a gross vehicle weight rat-  
21 ing of less than 14,000 pounds,

22 “(E) which has received a certificate of  
23 conformity under the Clean Air Act and meets  
24 or exceeds the Bin 5 Tier II emission standard  
25 established in regulations prescribed by the Ad-

1            administrator of the Environmental Protection  
2            Agency under section 202(i) of the Clean Air  
3            Act for that make and model year vehicle,

4                  “(F) which is propelled to a significant ex-  
5            tent by an electric motor which draws electricity  
6            from a battery which—

7                          “(i) has a capacity of not less than 4  
8            kilowatt hours, and

9                          “(ii) is capable of being recharged  
10           from an external source of electricity, and

11                 “(G) which either—

12                         “(i) is also propelled to a significant  
13           extent by other than an electric motor, or

14                         “(ii) has a significant onboard source  
15           of electricity which also recharges the bat-  
16           tery referred to in subparagraph (F).

17                 “(2) EXCEPTION.—The term ‘qualified plug-in  
18           hybrid vehicle’ shall not include any vehicle which is  
19           not a passenger automobile or light truck if such ve-  
20           hicle has a gross vehicle weight rating of less than  
21           8,500 pounds.

22                 “(3) OTHER TERMS.—The terms ‘passenger  
23           automobile’, ‘light truck’, and ‘manufacturer’ have  
24           the meanings given such terms in regulations pre-  
25           scribed by the Administrator of the Environmental

1 Protection Agency for purposes of the administra-  
2 tion of title II of the Clean Air Act (42 U.S.C. 7521  
3 et seq.).

4 “(4) BATTERY CAPACITY.—The term ‘capacity’  
5 means, with respect to any battery, the quantity of  
6 electricity which the battery is capable of storing, ex-  
7 pressed in kilowatt hours, as measured from a 100  
8 percent state of charge to a 0 percent state of  
9 charge.

10 “(e) SPECIAL RULES.—

11 “(1) BASIS REDUCTION.—The basis of any  
12 property for which a credit is allowable under sub-  
13 section (a) shall be reduced by the amount of such  
14 credit (determined without regard to subsection (c)).

15 “(2) RECAPTURE.—The Secretary shall, by reg-  
16 ulations, provide for recapturing the benefit of any  
17 credit allowable under subsection (a) with respect to  
18 any property which ceases to be property eligible for  
19 such credit.

20 “(3) PROPERTY USED OUTSIDE UNITED  
21 STATES, ETC., NOT QUALIFIED.—No credit shall be  
22 allowed under subsection (a) with respect to any  
23 property referred to in section 50(b)(1) or with re-  
24 spect to the portion of the cost of any property  
25 taken into account under section 179.

1           “(4) ELECTION NOT TO TAKE CREDIT.—No  
2           credit shall be allowed under subsection (a) for any  
3           vehicle if the taxpayer elects to not have this section  
4           apply to such vehicle.

5           “(5) PROPERTY USED BY TAX-EXEMPT ENTITY;  
6           INTERACTION WITH AIR QUALITY AND MOTOR VEHI-  
7           CLE SAFETY STANDARDS.—Rules similar to the rules  
8           of paragraphs (6) and (10) of section 30B(h) shall  
9           apply for purposes of this section.”.

10          (b) PLUG-IN VEHICLES NOT TREATED AS NEW  
11          QUALIFIED HYBRID VEHICLES.—Section 30B(d)(3) is  
12          amended by adding at the end the following new subpara-  
13          graph:

14                 “(D) EXCLUSION OF PLUG-IN VEHICLES.—  
15                 Any vehicle with respect to which a credit is al-  
16                 lowable under section 30D (determined without  
17                 regard to subsection (c) thereof) shall not be  
18                 taken into account under this section.”.

19          (c) CREDIT MADE PART OF GENERAL BUSINESS  
20          CREDIT.—Section 38(b) is amended by striking “plus” at  
21          the end of paragraph (32), by striking the period at the  
22          end of paragraph (33) and inserting “, plus”, and by add-  
23          ing at the end the following new paragraph:

24                 “(34) the portion of the plug-in hybrid vehicle  
25                 credit to which section 30D(c)(1) applies.”.

1 (d) CONFORMING AMENDMENTS.—

2 (1)(A) Section 24(b)(3)(B), as amended by this  
3 Act, is amended by striking “and 25D” and insert-  
4 ing “25D, and 30D”.

5 (B) Section 25(e)(1)(C)(ii) is amended by in-  
6 serting “30D,” after “25D,”.

7 (C) Section 25B(g)(2), as amended by this Act,  
8 is amended by striking “and 25D” and inserting “,  
9 25D, and 30D”.

10 (D) Section 26(a)(1), as amended by this Act,  
11 is amended by striking “and 25D” and inserting  
12 “25D, and 30D”.

13 (E) Section 1400C(d)(2) is amended by striking  
14 “and 25D” and inserting “25D, and 30D”.

15 (2) Section 1016(a) is amended by striking  
16 “and” at the end of paragraph (35), by striking the  
17 period at the end of paragraph (36) and inserting “,  
18 and”, and by adding at the end the following new  
19 paragraph:

20 “(37) to the extent provided in section  
21 30D(e)(1).”.

22 (3) Section 6501(m) is amended by inserting  
23 “30D(e)(4),” after “30C(e)(5),”.

1 (4) The table of sections for subpart B of part  
2 IV of subchapter A of chapter 1 is amended by add-  
3 ing at the end the following new item:

“Sec. 30D. Plug-in hybrid vehicles.”.

4 (e) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2008.

7 **TITLE III—MODIFYING THE**  
8 **STRATEGIC PETROLEUM RE-**  
9 **SERVE AND FUNDING CON-**  
10 **SERVATION AND ENERGY RE-**  
11 **SEARCH AND DEVELOPMENT**

12 **SEC. 301. FINDINGS.**

13 Congress finds the following:

14 (1) The Strategic Petroleum Reserve (SPR)  
15 was created by Congress in 1975, to protect the Na-  
16 tion from any future oil supply disruptions. When  
17 the program was established, United States refiners  
18 were capable of handling light and medium crude  
19 and the make up of the SPR matched this capacity.  
20 This is not the case today.

21 (2) A GAO analysis found that nearly half of  
22 the refineries considered vulnerable to supply disrup-  
23 tions are not compatible with the types of oil cur-  
24 rently stored in the SPR and would be unable to  
25 maintain normal refining capacity if forced to rely

1 on SPR oil as currently constituted, thereby reduc-  
2 ing the effectiveness of the SPR in the event of a  
3 supply disruption. GAO concluded that the SPR  
4 should be comprised of at least 10 percent heavy  
5 crude.

6 (3) This Act implements the GAO recommenda-  
7 tion and dedicates funds received from the trans-  
8 actions to existing energy conservation, research,  
9 and assistance programs.

10 **SEC. 302. DEFINITIONS.**

11 In this title—

12 (1) the term “light grade petroleum” means  
13 crude oil with an API gravity of 35 degrees or high-  
14 er;

15 (2) the term “heavy grade petroleum” means  
16 crude oil with an API gravity of 26 degrees or lower;  
17 and

18 (3) the term “Secretary” means the Secretary  
19 of Energy.

20 **SEC. 303. OBJECTIVES.**

21 The objectives of this title are as follows:

22 (1) To modernize the composition of the Stra-  
23 tegic Petroleum Reserve to reflect the current proc-  
24 essing capabilities of refineries in the United States.

1           (2) To provide increased funding to accelerate  
2           conservation, energy research and development, and  
3           assistance through existing programs.

4 **SEC. 304. MODIFICATION OF THE STRATEGIC PETROLEUM**  
5 **RESERVE.**

6           Notwithstanding section 161 of the Energy Policy  
7 and Conservation Act (42 U.S.C. 6241), the Secretary  
8 shall publish a plan not later than 30 days after the date  
9 of enactment of this Act to—

10           (1) exchange as soon as possible light grade pe-  
11           troleum from the Strategic Petroleum Reserve, in an  
12           amount equal to 10 percent of the total number of  
13           barrels of crude oil in the Reserve as of the date of  
14           enactment of this Act, for an equivalent volume of  
15           heavy grade petroleum plus any additional cash  
16           bonus bids received that reflect the difference in the  
17           market value between light grade petroleum and  
18           heavy grade petroleum and the timing of deliveries  
19           of the heavy grade petroleum;

20           (2) from the gross proceeds of the cash bonus  
21           bids, deposit the amount necessary to pay for the di-  
22           rect administrative and operational costs of the ex-  
23           change into the SPR Petroleum Account established  
24           under section 167 of the Energy Policy and Con-  
25           servation Act (42 U.S.C. 6247); and

1           (3) deposit 90 percent of the remaining net pro-  
2           ceeds from the exchange into the account established  
3           under section 305(a).

4 **SEC. 305. ENERGY INDEPENDENCE AND SECURITY FUND.**

5           (a) ESTABLISHMENT.—There is hereby established in  
6 the Treasury of the United States the “Energy Independ-  
7 ence and Security Fund” (in this section referred to as  
8 the “Fund”).

9           (b) ADMINISTRATION.—The Secretary shall be re-  
10 sponsible for administering the Fund for the purpose of  
11 carrying out this section.

12           (c) DEPOSITS.—The Secretary shall transfer the bal-  
13 ance of funds in the SPR Petroleum Account on the date  
14 of enactment of this Act in excess of \$10,000,000 into  
15 the Fund.

16           (d) DISTRIBUTION OF FUNDS.—The Secretary shall  
17 make available for obligation, without further appropria-  
18 tion and without fiscal year limitation, the following  
19 amounts from the Fund:

20           (1) ADVANCED RESEARCH PROJECTS AGENCY—  
21 ENERGY.—The Secretary shall transfer  
22 \$100,000,000 to the account “Energy Trans-  
23 formation Acceleration Fund”, established under  
24 section 5012(m) of the America COMPETES Act  
25 (42 U.S.C. 16538(m)), to remain available until ex-

1        pended. Of the funds so transferred, the Secretary  
2        shall further allocate the amounts made available for  
3        obligation as follows:

4                (A) \$50,000,000 shall be available for uni-  
5        versity-based research projects.

6                (B) \$10,000,000 shall be available for pro-  
7        gram direction expenses.

8                (2) WIND ENERGY RESEARCH AND DEVELOP-  
9        MENT.—The Secretary shall transfer \$15,000,000 to  
10       the account “Energy Efficiency and Renewable En-  
11       ergy”, to remain available until expended, for nec-  
12       essary expenses for a program to support the devel-  
13       opment of next-generation wind turbines, including  
14       turbines capable of operating in areas with low wind  
15       speeds, as authorized in section 931(a)(2)(B) of the  
16       Energy Policy Act of 2005 (42 U.S.C.  
17       16231(a)(2)(B)).

18               (3) SOLAR ENERGY RESEARCH AND DEVELOP-  
19       MENT.—The Secretary shall transfer \$30,000,000 to  
20       the account “Energy Efficiency and Renewable En-  
21       ergy”, to remain available until expended, for nec-  
22       essary expenses for a program to accelerate the re-  
23       search, development, demonstration, and deployment  
24       of solar energy technologies, and public education  
25       and outreach materials pursuant to such program,

1 as authorized by section 931(a)(2)(A) of the Energy  
2 Policy Act of 2005 (42 U.S.C. 16231(a)(2)(A)).

3 (4) LOW INCOME WEATHERIZATION AND  
4 LIHEAP.—The Secretary shall transfer  
5 \$100,000,000 to the account “Weatherization As-  
6 sistance Program”, to remain available until ex-  
7 pended, for necessary expenses for a program to  
8 weatherize low income housing, as authorized by sec-  
9 tion 411 of the Energy Independence and Security  
10 Act of 2007 (Public Law 110–140). The Secretary  
11 shall transfer \$100,000,000 to the Secretary of  
12 Health and Human Services for distribution to  
13 States under section 2604(a) through (d) of the  
14 Low-Income Home Energy Assistance Act of 1981  
15 (42 U.S.C. 8623(a)–(d)).

16 (5) MARINE AND HYDROKINETIC RENEWABLE  
17 ELECTRIC ENERGY.—The Secretary shall transfer  
18 \$30,000,000 to the account “Energy Efficiency and  
19 Renewable Energy”, to remain available until ex-  
20 pended, for necessary expenses for a program to ac-  
21 celerate the research, development, demonstration,  
22 and deployment of ocean and wave energy, including  
23 hydrokinetic renewable energy, as authorized by sec-  
24 tion 931 of the Energy Policy Act of 2005 (42  
25 U.S.C. 16231) and section 636 of the Energy Inde-

1       pendence and Security Act of 2007 (42 U.S.C.  
2       17215).

3               (6) ADVANCED VEHICLES RESEARCH, DEVELOP-  
4       MENT, AND DEMONSTRATION.—The Secretary shall  
5       transfer \$40,000,000 to the account “Energy Effi-  
6       ciency and Renewable Energy”, to remain available  
7       until expended, for necessary expenses for research,  
8       development, and demonstration on advanced, cost-  
9       effective technologies to improve the energy effi-  
10      ciency and environmental performance of vehicles, as  
11      authorized in section 911(a)(2)(A) of the Energy  
12      Policy Act of 2005 (42 U.S.C. 16191(a)(2)(A)).

13              (7) INDUSTRIAL ENERGY EFFICIENCY RE-  
14      SEARCH AND DEVELOPMENT.—The Secretary shall  
15      transfer \$110,000,000 to the account “Energy Effi-  
16      ciency and Renewable Energy”, to remain available  
17      until expended, for necessary expenses for a program  
18      to accelerate the research, development, demonstra-  
19      tion, and deployment of new technologies to improve  
20      the energy efficiency and reduce greenhouse gas  
21      emissions from industrial processes, as authorized in  
22      section 911(a)(2)(C) of the Energy Policy Act of  
23      2005 (42 U.S.C. 16191(a)(2)(C)) and in section 452  
24      of the Energy Independence and Security Act of  
25      2007 (42 U.S.C. 17111).

1           (8) BUILDING AND LIGHTING ENERGY EFFI-  
2           CIENCY RESEARCH AND DEVELOPMENT.—The Sec-  
3           retary shall transfer \$70,000,000 to the account  
4           “Energy Efficiency and Renewable Energy”, to re-  
5           main available until expended, for necessary ex-  
6           penses for a program to accelerate the research, de-  
7           velopment, demonstration, and deployment of new  
8           technologies to improve the energy efficiency of and  
9           reduce greenhouse gas emissions from buildings, as  
10          authorized in section 321(g) of the Energy Inde-  
11          pendence and Security Act of 2007 (42 U.S.C. 6295  
12          note), section 422 of the Energy Independence and  
13          Security Act of 2007 (42 U.S.C. 17082), and section  
14          912 of the Energy Policy Act of 2005 (42 U.S.C.  
15          16192).

16          (9) GEOTHERMAL ENERGY DEVELOPMENT.—  
17          The Secretary shall transfer \$30,000,000 to the ac-  
18          count “Energy Efficiency and Renewable Energy”,  
19          to remain available until expended, for necessary ex-  
20          penses for geothermal research and development ac-  
21          tivities to be managed by the National Renewable  
22          Energy Laboratory, as authorized by sections 613,  
23          614, 615, and 616 of the Energy Independence and  
24          Security Act of 2007 (42 U.S.C. 17192–95) and sec-

1       tion 931(a)(2)(C) of the Energy Policy Act of 2005  
2       (42 U.S.C. 16231(a)(2)(C)).

3           (10) SMART GRID TECHNOLOGY RESEARCH, DE-  
4       VELOPMENT, AND DEMONSTRATION.—The Secretary  
5       shall transfer \$30,000,000 to the account “Energy  
6       Efficiency and Renewable Energy”, to remain avail-  
7       able until expended, for necessary expenses for re-  
8       search, development, and demonstration of smart  
9       grid technologies, as authorized by section 1304 of  
10      the Energy Independence and Security Act of 2007  
11      (42 U.S.C. 17384).

12          (11) CARBON CAPTURE AND STORAGE.—The  
13      Secretary shall transfer \$385,000,000 to the account  
14      “Fossil Energy Research and Development”, to re-  
15      main available until expended, for necessary ex-  
16      penses for a program of demonstration projects of  
17      carbon capture and storage, and for a research pro-  
18      gram to address public health, safety, and environ-  
19      mental impacts, as authorized by section 963 of the  
20      Energy Policy Act of 2005 (42 U.S.C. 16293) and  
21      sections 703 and 707 of the Energy Independence  
22      and Security Act of 2007 (42 U.S.C. 17251,  
23      17255).

1           (12) NONCONVENTIONAL DOMESTIC NATURAL  
2           GAS PRODUCTION AND ENVIRONMENTAL RE-  
3           SEARCH.—

4           (A) The Secretary shall transfer  
5           \$50,000,000 to the account authorized by sec-  
6           tion 999H(e) of the Energy Policy Act of 2005  
7           (42 U.S.C. 16378(e)), to remain available until  
8           expended.

9           (B) The Secretary shall transfer  
10          \$15,000,000 to the account “Fossil Energy Re-  
11          search and Development”, to remain available  
12          until expended, for necessary expenses for a  
13          program of basin-oriented assessments and pub-  
14          lic and private partnerships involving States  
15          and industry to foster the development of re-  
16          gional advanced technological, regulatory, and  
17          economic development strategies for the effi-  
18          cient and environmentally sustainable recovery  
19          and market delivery of natural gas and domes-  
20          tic petroleum resources within the United  
21          States, and for support for the Stripper Well  
22          Consortium.

23          (13) HYDROGEN RESEARCH AND DEVELOP-  
24          MENT.—The Secretary shall transfer \$5,000,000 to  
25          the account “Energy Efficiency and Renewable En-

1       ergy”, to remain available until expended, for nec-  
2       essary expenses for the Department of Energy’s H-  
3       Prize Program, as authorized by section 1008(f) of  
4       the Energy Policy Act of 2005 (42 U.S.C.  
5       16396(f)).

6               (14) ENERGY STORAGE FOR TRANSPORTATION  
7       AND ELECTRIC POWER.—

8               (A) The Secretary shall transfer  
9       \$30,000,000 to the account “Basic Energy  
10       Sciences”, to remain available until expended,  
11       for necessary expenses for a program to accel-  
12       erate basic research on energy storage systems  
13       to support electric drive vehicles, stationary ap-  
14       plications, and electricity transmission and dis-  
15       tribution, as authorized by section 641(p)(1) of  
16       the Energy Independence and Security Act of  
17       2007 (42 U.S.C. 17231(p)(1)).

18              (B) The Secretary shall transfer  
19       \$70,000,000 to the account “Energy Efficiency  
20       and Renewable Energy”, to remain available  
21       until expended, including—

22                   (i) \$30,000,000 for a program to ac-  
23       celerate applied research on energy storage  
24       systems to support electric drive vehicles,  
25       stationary applications, and electricity

1 transmission and distribution as authorized  
2 by section 641(p)(2) of the Energy Inde-  
3 pendence and Security Act of 2007 (42  
4 U.S.C. 17231(p)(2));

5 (ii) \$20,000,000 for energy storage  
6 systems demonstrations as authorized by  
7 section 641(p)(4) of the Energy Independ-  
8 ence and Security Act of 2007 (42 U.S.C.  
9 17231(p)(4)); and

10 (iii) \$20,000,000 for vehicle energy  
11 storage systems demonstrations as author-  
12 ized by section 641(p)(5) of the Energy  
13 Independence and Security Act of 2007  
14 (42 U.S.C. 17231(p)(5)).

15 (e) TRANSFER PROCEDURES.—The Secretary shall  
16 make an initial transfer from the Fund no later than 30  
17 days after the initial deposit of monies into the Fund. The  
18 Secretary shall make additional transfers no later than 30  
19 days after subsequent deposits. If the amount available to  
20 be transferred is less than the levels authorized under sub-  
21 section (d), the transfers for each program shall be allo-  
22 cated on a pro rata basis. If the amount available to be  
23 transferred exceeds the levels authorized under subsection  
24 (d), the transfers for each program shall be increased on  
25 a pro rata basis.

1 (f) MANAGEMENT AND OVERSIGHT.—

2 (1) ADDITIONALITY OF FISCAL YEAR 2008  
3 TRANSFERS.—All amounts transferred under sub-  
4 section (d) shall be in addition to, and shall not be  
5 substituted for, any funds appropriated for the same  
6 or similar purposes in the Consolidated Appropria-  
7 tions Act, 2008.

8 (2) EXCESS FUNDS.—The total of all amounts  
9 transferred under subsection (d) and any funds ap-  
10 propriated for the same or similar purposes in the  
11 Consolidated Appropriations Act, 2008 may not ex-  
12 ceed the amounts authorized in other Acts for such  
13 purposes. In the event that amounts made available  
14 under this title plus amounts under the Consolidated  
15 Appropriations Act, 2008 exceed the cumulative  
16 amounts authorized in other Acts for any program  
17 funded by this Act, the excess amounts shall be dis-  
18 tributed to the other programs funded by this title  
19 on a pro rata basis.

20 (3) PROGRAM PLANS AND PERFORMANCE MEAS-  
21 URES.—The Secretary shall prepare and publish in  
22 the Federal Register a plan for the proposed use of  
23 all funds authorized in subsection (d). The plan also  
24 shall identify how the use of these funds will be ad-  
25 ditive to, and not displace, annual appropriations.

1       The plans also shall identify performance measures  
2       to assess the additional benefits that may be realized  
3       from the application of the additional funding pro-  
4       vided under this section. The initial plan shall be  
5       published in the Federal Register not later than 45  
6       days after the date of enactment of this Act.

7               (4) CONGRESSIONAL OVERSIGHT AND RE-  
8       VIEW.—Nothing in this section shall limit or restrict  
9       the review and oversight of program plans by the ap-  
10      propriate committees of Congress. Nothing in this  
11      section shall limit or restrict the authority of Con-  
12      gress to set alternative spending limitations in an-  
13      nual appropriations Acts.

14              (5) APPORTIONMENT.—All transactions of the  
15      Fund shall be exempt from apportionment under the  
16      provisions of subchapter II of chapter 15 of title 31,  
17      United States Code.