

## Bill Summary & Status 96th Congress (1979 - 1980) S.932 CRS Summary

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### S.932

**Title:** Energy Security Act

**Sponsor:** [Sen Proxmire, William](#) [WI] (introduced 4/9/1979)      Cosponsors (None)

**Related Bills:** [H.RES.728](#), [H.R.37](#), [H.R.3930](#)

**Latest Major Action:** 6/30/1980 Public Law 96-294.

### SUMMARY AS OF:

6/19/1980--Conference report filed in Senate. (There are 3 [other summaries](#))

(Conference report filed in Senate, S. Rept. 96-824)

Energy Security Act - =Title I: Synthetic Fuel= - Declares it to be the purpose of this title to reduce dependence on foreign energy resources by producing synthetic fuel. =Part A: Development of Synthetic Fuel Under the Defense Production Act of 1950= - Defense Production Act Amendments of 1980 - Amends the Defense Production Act of 1950 to include within the policy objectives of such Act Government preparedness to contend with foreign actions which could reduce or terminate the availability of material, including energy, which is crucial to national defense. States that greater independence in domestic energy supplies is necessary to national defense preparedness.

Prohibits the President from instituting a gasoline rationing program without Congressional approval.

Designates "energy" as a "strategic and critical material." States that such designation shall not give the President any authority: (1) for the mandatory allocation or pricing of any fuel or feedstock; or (2) to engage in the production of energy in any manner whatsoever, except for synthetic fuel production.

Transfers authority to the Departments of Commerce, Defense, and Energy to guarantee loans for the purpose of expediting deliveries or services with respect to national defense contracts.

Increases the maximum amount of a loan which any Federal agency may guarantee under the Defense Production Act of 1950, without the approval of Congress, from \$20,000,000 to \$38,000,000. Requires notification to specified Congressional committees of any proposed obligation above such limit. Authorizes the agency involved to guarantee such a loan if neither House of Congress disapproves of the loan within a specified time period. Increases the discretionary direct loan authority from \$25 to \$48 million.

Expands Presidential authority to provide for the national defense by authorizing the President to make provision for the production of strategic minerals, metals, and materials. Extends the purchasing authority of this Act until September 30, 1995.

Eliminates the requirement that either the Secretary of Agriculture or the Secretary of the Interior certify that a shortage of a strategic or critical material exists before the President may use his authority to provide for the development of substitutes for strategic and critical materials.

Directs the President to: (1) take immediate action to achieve production of synthetic fuel to meet national defense needs; (2) contract for synthetic fuel for defense needs; (3) issue guarantees and make loans to achieve such production. Limits assistance to participants in a synthetic fuel project.

Terminates the authority of the President to enter into any new contract or commitment on the date the President determines that the United States Synthetic Fuels Corporation is established and fully operational.

Permits the President, upon making findings and certifying to Congress that a national energy supply shortage has resulted, or is likely to result, and defense fuel supplies are threatened, to expedite the development of synthetic fuel, upon receiving Congressional authorization, by: (1) purchasing synthetic fuel; (2) issuing loan guarantees; (3) making loans; (4) installing additional equipment in Government- owned plants, and installing Government-owned equipment in privately owned facilities; and (5) undertaking Government-owned synthetic fuel projects. Restricts purchases, pursuant to the preceding sentence, from any one person to no more than 100,000 barrels daily.

Provides for competitive bidding in the purchase of synthetic fuel. Limits Federal authority to purchase synthetic fuel (when there is no national energy shortage) to 100,000 barrels per day crude oil equivalent of synthetic fuel. Provides that only synthetic fuel produced in the United States may be purchased. Requires the President, in the consideration of any proposed contract, to take into account the socioeconomic impact on communities which would be affected by any new or expanded facilities required for synthetic fuel production under the contract. Provides that any synthetic fuel acquired by the Government and which is not used to meet national defense needs or used to meet the storage requirements of the Strategic Petroleum Reserve shall be sold.

Provides that, for purposes of the National Environmental Policy Act of 1969, no action in providing any loan, guarantee, or purchase agreement for synfuels shall be deemed to be a major Federal action significantly affecting the quality of the human environment.

Sets forth procedures for congressional consideration of synthetic fuel actions.

Defines terms used in the Defense Production Act Amendments of 1980.

Authorizes appropriations of \$3 billion to carry out the synthetic fuel production program to remain available until the Synthetic Fuels Corporation is fully operational.

Extends all authorities of the Defense Production Act of 1950 to September 30, 1981.

Requires the President to annually report to Congress concerning synfuels production.

=Part B: United States Synthetic Fuels Corporation= - United States Synthetic Fuels Corporation Act of 1980 - Sets forth definitions of terms.

Creates the United States Synthetic Fuels Corporation. Sets forth provisions concerning: (1) a Board of Directors; (2) officers and employees; (3) conflicts of interest and financial disclosure; (4) delegation of corporate powers; (5) authorization of administrative expenses; and (6) public access to information. Provides, in addition to the officers in the Corporation, for an officer with the title of "Inspector General" who shall report directly to, and be under the general supervision of, the Board of Directors, and shall not be under the control of, or subject to supervision by, any other offices. Establishes an Advisory Committee to the Board of Directors to: (1) review solicitations of proposals for financial assistance to construct, operate, or construct and operate synthetic fuel projects; and (2) to advise the Corporation in relation to other matters within the expertise of the Advisory Committee.

Establishes a national goal of achieving a synthetic fuel production capability equivalent to at least 500,000 barrels per day of crude oil by 1987 and of at least 2,000,000 barrels per day of crude oil by 1992, from domestic sources.

Directs the Board to: (1) solicit proposals for synthetic fuel projects; (2) provide financial assistance to proposals acceptable to the Board; (3) negotiate contracts if insufficient proposals are made; and (4) undertake corporate construction projects if such efforts prove insufficient. Requires the Board to make public its intent to undertake such projects.

Directs the Board, before the approval of a comprehensive strategy, to utilize financial assistance to: (1) demonstrate a diversity of technologies for each domestic resource that offers significant potential for use as a synthetic fuel feedstock, and (2) achieve the national production goal.

Directs the Corporation to establish and submit to Congress within four years a comprehensive strategy to achieve such production goal. Requires that such strategy give emphasis to private sector responsibilities in achieving such goals. Stipulates that such plan be deemed approved if after 90 calendar days of continuous session both Houses of Congress adopt a concurrent resolution approving such plan. Requires the Corporation to modify and resubmit such plan should either House of Congress not approve. Sets forth procedures of Congressional approval and disapproval.

Directs the Corporation from time to time to solicit proposals from concerns interested in the construction or operation, or both, of synthetic fuel projects.

Authorizes the Secretary of Energy, on behalf of the Corporation, to make a solicitation for: (1) commercial scale methanol from coal plants; and (2) commercial scale high-Btu coal gas plants.

Directs the Corporation to give priority consideration to applications for financial assistance for proposed synthetic fuel projects in those states which indicate an intention to expedite all regulatory, licensing, and related government agency activities related to such projects. Directs the Corporation to consult with the governors of all States in which corporation projects would be located.

Directs the Board to make solicitations by such notice as is customarily used to solicit proposals for Federal assistance for major research and development undertakings.

Directs that financial assistance be awarded on the basis of competitive bids made in response to such solicitation.

Requires that a project accepted for financial assistance represent the least Federal financial commitment and the lowest unit production cost within a given technological process.

Directs the Corporation to negotiate contracts for financial assistance should no acceptable bids be submitted.

Stipulates that any contract for financial assistance require the development of a plan for the monitoring of environmental and health related emissions from the construction and operation of the synthetic fuel project.

Limits the aggregate amount and types of financial assistance which may be made or committed under this title to any one concern.

Permits the Corporation to condition financial assistance to a synthetic fuel project upon its sharing in the profits of such project on a fair basis.

Authorizes the Corporation to extend loans to any concern for a synthetic fuel project when the Board determines that other methods of financing would be inadequate. Limits such loans to 75 percent of the total cost of such project. Permits the Corporation to establish the interest rate for such loans, subject to specified conditions including the impact on the capital markets of the United States.

Permits loans to be made directly or in participation with lending institutions.

Sets forth circumstances under which the Corporation may forebear from exercising its rights under such loan agreements.

Authorizes the Board to enter into loan guarantees for obligations issued solely to provide funds to a concern for synthetic fuel projects.

Limits such guarantees to 75 percent of the total cost of such projects. Authorizes the Corporation to guarantee additional amounts in certain instances.

Authorizes the Corporation to enter into purchase agreements for all or part of the production from a synthetic fuel project. Stipulates that the sale price not exceed the estimated prevailing market price as of the date of delivery unless a higher price is necessary to insure the production of such fuel. Sets forth the required terms of such an agreement.

Authorizes the Corporation, prior to the approval of a comprehensive strategy, to enter into joint ventures for synthetic fuel project modules. Stipulates that the Corporation undertake the construction and operation of a project module only by contract. Sets forth the terms and conditions of such joint ventures.

Limits Federal participation in such ventures to financial assistance. States, in addition, that the Corporation's participation shall be limited to limited partnership status.

Permits the Corporation to acquire or retain control of a specified synthetic fuel project under specified conditions. Requires the Corporation to dispose of such projects within five years.

Treats the Corporation as a Federal agency for specified purposes of laws relating to Federal contracts.

Permits the Corporation to charge and collect fees in connection with its provision of financial assistance.

Directs the Corporation to prescribe and collect an annual fee in connection with each loan guarantee.

Directs the Corporation to sell, as soon as practicable, any evidences of indebtedness acquired by such Corporation pursuant to this part.

Authorizes the Corporation to own and directs such Corporation to contract for the construction and operation of synthetic fuel projects if necessary to meet the production level goal. Limits the number of such projects to three.

Subjects such Corporation construction projects and joint ventures to all Federal and nondiscriminatory State and local environmental, land use and siting laws to the same extent as any privately financed project assisted under this title.

Stipulates that contracts for the construction and operation of Corporation construction projects provide for the monitoring of the environmental and health related emissions from such projects.

Directs the Corporation, within three years of the operation of each such Corporation construction project, to publish a report detailing: (1) the ability of the synthetic fuel product to be competitive with imported crude oil; (2) the commercial feasibility of such technology in light of applicable environmental requirements; (3) the effect on water supplies of the project and the commercial operation of such technology; (4) the health effects on workers of the projects; and (5) the social and economic impact on local communities most directly affected by such projects.

Directs recipients of such contracts to keep prescribed records for auditing by the Corporation and the Comptroller General of the United States.

Authorizes the Corporation to issue notes or other obligations of such Corporation, solely to the United States through the Secretary of the Treasury. Limits the amount of obligations the Corporation may incur. Stipulates that the obligations and outlays incurred by the Secretary in connection with the purchase of obligations of the Corporation be included in the totals of the Federal budget. Stipulates that the receipts and disbursements of the Corporation be presented annually in such budget, but not be included in the totals of such budget.

Requires that specified moneys of the Corporation be used to defray administrative expenses and provide financial assistance.

Grants the Corporation a tax-exempt status. Makes the Corporation subject to specified non-discriminatory taxes on specified assets of a Corporation construction project.

Establishes criminal penalties for: (1) knowingly making false statements in connection with any application for financial assistance under this title; (2) forgery of any document issued by the Corporation; (3) misappropriation of funds and other unauthorized activities by persons connected in any capacity with such Corporation; (4) conspiracy to accomplish any of such activities; (5) infringement of the name "United States Synthetic Fuels Corporation".

Empowers the Attorney General to bring an action against the Corporation or any other person in United States district court for injunctive relief against any actions inconsistent with the requirements of of this Act.

Grants United States district courts original jurisdiction for all civil actions brought against the Corporation. Stipulates that such Corporation be treated as a Federal agency for the purposes of the Federal Tort Claims Act with specified exemptions.

Limits the liability of the Corporation to its assets.

Sets forth the powers of the Corporation to be exercised in connection with administrative activities, financial assistance, and Corporation construction projects authorized by this title.

Authorizes the Corporation to acquire interests in real property under specified circumstances.

Permits the Corporation to utilize the information, data, advice, and/or recommendations of any Federal agency to assist in decisions relating to the provision of financial assistance for synthetic fuel projects. Sets forth the conditions for the receipt of specified information.

Directs the Corporation to consult with the Secretary of Defense in order to identify those national defense fuel supply requirements which may be achieved under this part.

Permits the Corporation to condition project loans, loan guarantees, or joint ventures upon the vesting of any patents resulting from such projects in such Corporation.

Authorizes the Corporation to grant licenses in such patents to other applicants under specified conditions.

Requires the recipient of financial assistance to provide for the fair and reasonable participation by small and disadvantaged businesses in the synthetic fuel project receiving such assistance.

States that, except as otherwise provided in this part, no Federal law shall apply to the Corporation as if it were an agency or instrumentality of the United States.

Sets forth the relationship of this title to other laws, including: (1) the National Environmental Policy Act of 1969; (2) the Davis-Bacon Act; (3) the Securities Exchange Act of 1934; (4) the antitrust laws; (5) the Government Corporation Control Act; (6) the Longshoremen's and Harbor Workers' Compensation Act; and (7) the Powerplant and Industrial Fuel Use Act of 1978.

States that any provision of this part found invalid by a court does not affect the validity of the remainder of this Act.

Requires the Corporation to prepare and submit to Congress and the President an annual audit and quarterly reports detailing the financial condition and current projects of such Corporation.

Requires annual reports containing general status reports and specified information on projects in which the Corporation is involved.

Requires the submission of a report on or before September 30, 1990 evaluating the overall impact made by the Corporation and containing a liquidation plan.

States that the jurisdiction of the States and the United States over water rights remains unchanged by this title.

Limits the number of synthetic fuel projects located in the Western Hemisphere outside the United States which may receive financial assistance.

Directs the Corporation to conduct a study of supplemental financial protection for lenders including completion guarantees and other mechanisms to ascertain the desirability of employing such mechanisms to enlarge the number of potential participants in the synthetic fuel development program.

Authorizes the Corporation to dispose of all or any portion of its tangible assets under specified conditions.

Terminates the authority of the Corporation to make commitments for financial assistance after September 30, 1992.

Terminates the Corporation on September 30, 1997. Stipulates, however, that under certain circumstances the Corporation may be terminated as early as September 30, 1992.

Sets forth procedures for termination of the Corporation's affairs.

=Title II: Biomass Energy and Alcohol Fuels= - Biomass Energy and Alcohol Fuels Act of 1980 - Makes findings that dependence on imported petroleum and natural gas must be reduced and that a biomass energy program that does not impair the Nation's ability to produce food and fiber must be formulated.

Sets forth definitions including "biomass" which is defined to mean any organic matter available on a renewable basis, including agricultural crops and agricultural wastes and residues, wood and wood wastes and residues, animal wastes, municipal wastes, and aquatic plants. Stipulates that for purposes of subtitle A, such term does not include aquatic plants and municipal wastes.

=Subtitle A: General Biomass Energy Development= - Directs the Secretary of Energy and the Secretary of Agriculture to jointly prepare: (1) within 180 days of enactment, a plan to achieve a production level of 60,000 barrels per day of alcohol by December 31, 1982; and (2) by January 1, 1982, a plan designed to achieve, by December 31, 1990, a level of alcohol production equal to at least ten percent of the level of gasoline consumption within the United States as estimated for calendar year 1990.

Specifies the responsibilities and administrative duties of the Secretary of Energy and the Secretary of Agriculture in connection with biomass energy development plans and those projects which a Secretary will be responsible for independently and those projects where there will be joint responsibility.

Permits the Secretary of Agriculture to make insured loans of up to \$1,000,000 per project for the construction of small scale biomass energy projects. Limits any such loan to 90 percent of the total estimated cost of construction of the project. Defines a "small scale biomass energy project" as a biomass energy project with an anticipated annual production capacity of no more than 1,000,000 gallons of ethanol annually.

Permits loan guarantees for biomass energy construction projects.

Permits price guarantees for the products of biomass energy projects.

Permits the Secretary concerned to make purchase agreements for all or part of the biomass energy production of any biomass energy project if determined: (1) that such biomass energy is of a type, quantity, and quality that can be used by Federal agencies; and (2) that the quantity of such biomass energy, if delivery is accepted, would not exceed the likely needs of Federal agencies.

Provides that priority for financial assistance for any biomass energy project shall be provided to any project that: (1) uses a primary fuel other than petroleum or natural gas in the production of biomass fuel; or (2) applies new technologies. Provides that financial assistance shall be available for a biomass project only if the Btu's of the motor fuels used to produce the biomass fuel will not exceed the Btu's of the biomass fuel produced. Prohibits financial assistance for any project if the process used by the project will not extract the protein content of the feedstock for utilization as food or feed, in cases in which extraction is technically and economically feasible.

Prohibits financial assistance for a biomass project unless: (1) necessary feedstocks are available; (2) those receiving financial assistance will bear a reasonable degree of risk in the construction and operation of the project; and (3) the amount of financial assistance is no greater than necessary.

Directs the Secretary of Agriculture and the Secretary of Energy to report quarterly concerning biomass energy activities. Directs the Office of Alcohol Fuels to report annually concerning its operations.

Establishes, within the Department of Energy, an Office of Alcohol Fuels to be headed by a Director who shall be responsible for carrying out the functions of the Secretary of Energy under this subtitle relating to alcohol.

Prohibits the commitment or negotiation of new insured loan agreements, loan guarantees, price guarantees, or purchase agreements after September 30, 1984.

=Subtitle B: Municipal Waste Biomass Energy= - Directs the Secretary of Energy to prepare a comprehensive plan to carry out this subtitle.

Authorizes the Secretary to make loans for the construction of municipal waste energy products of up to 80 percent of the total estimated cost of the construction of a municipal waste energy project. Authorizes the Secretary to guarantee up to 90 percent of a municipal waste energy construction project.

Authorizes the Secretary to make: (1) price support loans for the operation of new or existing municipal waste energy projects; and (2) price guarantees for the operation of new municipal waste energy projects which sell and produce biomass energy.

Grants priority for financial assistance and the most favorable financial terms available to any municipal waste energy project that will: (1) produce a liquid fuel from municipal waste; or (2) will displace petroleum or natural gas as a fuel.

States that with respect to projects producing biomass energy other than biomass fuel, financial assistance shall be available only if the project does not use petroleum or natural gas except for flame stabilization or start-up.

Limits financial assistance, with respect to projects producing biomass fuel, to those projects where the Btu content of the biomass fuel produced substantially exceeds the Btu content of any petroleum or natural gas used in the project to produce the biomass fuel.

Directs the Secretary, in providing financial assistance, to give due consideration to promoting competition.

Prohibits the Secretary from providing financial assistance unless: (1) the project will be technically and economically viable; (2) the financial assistance encourages and supplements, but does not compete with or supplant, any private capital investment otherwise reasonably available to a proposed municipal waste energy project; (3) assurances are provided that the project will not use, in any substantial quantities, waste paper which would otherwise be recycled for a use other than as a fuel and will not substantially compete with facilities in existence on the date of the financial assistance which are engaged in the separation or recovery of reusable materials from municipal waste; and (4) that the amount of financial assistance provided for the project is not greater than necessary to achieve the purposes of this title.

Directs the Secretary to establish procedures and take such other actions as may be necessary regarding the solicitation, review, and evaluation of applications awarding financial assistance to carry out the municipal waste energy development plan.

Directs the Secretary to establish and conduct an accelerated research, development, and demonstration program for promoting the commercial viability of processes for the recovery of energy from municipal wastes.

Establishes within the Department of Energy an Office of Energy from Municipal Waste to perform: (1) research, development, demonstration, and commercialization activities under this subtitle; and (2) such other duties relating to the production of energy from municipal waste as the Secretary may assign to the Office.

Prohibits financial assistance from being committed or made under this subtitle after September 30, 1984.

=Subtitle C: Rural, Agricultural, and Forestry Biomass Energy= - Directs the Secretary of Agriculture to establish not more than ten model

demonstration biomass energy facilities to exhibit the most advanced technology available for producing biomass energy.

Extends eligibility for grants under the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to Government corporations, as well as colleges and universities, for research related to the production of alcohol and industrial hydrocarbons made from agricultural commodities and forest products.

Provides that alcohol and biomass related research grants may not be used to conduct research for the primary purpose of demonstrating integrated biomass energy systems for commercialization of technologies for applications other than agricultural or uniquely rural applications.

Amends the Bankhead-Jones Act to direct the Secretary of Agriculture to conduct research to develop agricultural, forestry, and rural energy conservation and biomass energy production.

Amends the Forest and Rangeland Renewable Resources Research Act of 1978 to authorize the Secretary of Agriculture to conduct, support, and cooperate in energy production and conservation research and associated activities relating to forest and rangeland renewable resources.

Amends the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to direct the Secretary of Agriculture, in cooperation with State directors of cooperative extension, administrators of extension for land-grant colleges and universities, State foresters or equivalent State officials, and the heads of other Federal departments and agencies, to provide educational programs for producers of agricultural commodities, wood, and wood products to: (1) inform such producers of the feasibility of using biomass for energy; (2) disseminate to such producers information regarding the results of research regarding the use of biomass for energy; (3) inform such producers of the best available technology for the use of biomass for energy; (4) provide technical assistance to such producers to improve their ability to efficiently use biomass for energy; and (5) disseminate to such producers the results of research on energy conservation techniques and encourage such producers to adopt such techniques.

Directs the State director of cooperative extension in each State to develop a single, comprehensive, and coordinated plan which includes every biomass energy educational and technical assistance program in effect or proposed in such State.

Amends the Smith-Lever Act to include rural energy as part of the cooperative extension work to be conducted under that Act.

Directs the Secretary of Agriculture to coordinate various research and extension programs.

Amends the Soil Conservation and Domestic Allotment Act to authorize the Secretary of Agriculture to provide cost sharing and technical assistance to farmers under the Agricultural Conservation Program to encourage various energy conservation measures.

Amends the Food and Agriculture Act of 1977 to require the Secretary of Agriculture to permit all or any part of the acreage set aside or diverted under the Agricultural Act of 1949 from the production of a commodity for any crop year to be devoted to the production of any commodity for conversion into alcohol or hydrocarbons for use as motor fuel or other fuel, if determined that such production is desirable in order to provide an adequate supply of commodities for such conversion, is not likely to increase the cost of price support programs, and will not adversely affect farm income. Permits the Secretary, during any year in which no set-aside or diversion is in effect, to formulate and administer a program for the production of commodities for conversion into alcohol or hydrocarbons for use as motor fuel, and directs that producers of wheat, feed grains, upland cotton, and rice shall be paid incentive payments, under the program, to devote a portion of their acreage to such production.

Directs the Secretary of Agriculture to make available the timber resources of the National Forest System for use by biomass energy projects.

States the intent of Congress that the Secretary of Agriculture shall process applications for leases of National Forest System lands and for permits to explore, drill, and develop resources on land leased from the Forest Service, notwithstanding the current status of a plan being prepared under the Forest and Rangeland Renewable Resources Planning Act.

=Subtitle D: Miscellaneous Biomass Provisions= - Directs the President to require that motor vehicles owned or leased by Federal agencies and capable of operating on gasohol to use gasohol where available at reasonable prices and in reasonable quantities. Permits exceptions to protect national security.

Directs the Secretary of Energy in consultation with the Secretary of Transportation, to submit a report to Congress concerning the use of alcohol as a motor fuel.

Amends the Natural Gas Policy Act of 1978 to include within the definition of "essential agricultural use": (1) use of natural gas in sugar refining for production alcohol; (2) use of natural gas for agricultural production on set-aside acreage or acreage diverted from the production of a commodity to be devoted to the production of any commodity for conversion into alcohol or hydrocarbons for use as motor fuel or other fuels; and (3) for the five-year period beginning on the date of the enactment of this Act, use of natural gas in the distillation of fuel-grade alcohol from food grains or other biomass by facilities in existence on the date of the enactment of this Act which do not have the installed capability to burn coal lawfully.

Directs the President, upon finding that alcohol for use as motor fuel is not being used as such because of the unavailability of crude oil to refiners or persons engaged in marketing petroleum products, to provide for the allocation of: (1) crude oil to refineries engaged in the production of refined petroleum products to be mixed with alcohol; and (2) refined petroleum products to persons engaged in marketing petroleum products.

=Title III: Energy Targets= - Directs the President to biennially submit to Congress energy targets for net imports, domestic production and end-use consumption of energy for the years 1985, 1990, 1995, and 2000.

Requires any Department of Energy authorization bill for fiscal year 1982 and any such bill for fiscal year 1984 which is proposed in an executive communication to include the targets in a specified form set forth in this Act. Sets forth procedures for congressional consideration of the targets.

States that the energy targets shall be considered as national goals and shall not have legal force or effect.

=Title IV: Renewable Energy Initiatives= - Renewable Energy Resources Act of 1980 - States that it is the purpose of this title to: (1) establish incentives for the use of renewable energy resources; (2) inform the public concerning renewable resources; (3) encourage solar energy; (4) promote local energy self-sufficiency; (5) promote the use of photovoltaic systems; and (6) encourage small hydroelectric power projects.

Defines "renewable energy resource" as any energy resource which has recently originated in the sun, including direct and indirect solar radiation and intermediate solar energy forms such as wind, ocean thermal gradients, ocean currents and waves, hydropower, photovoltaic energy, products of photosynthetic processes, organic wastes, and others.

Requires the Secretary of Energy to coordinate all activities aimed at or involving the dissemination of information with respect to renewable energy resources or energy conservation, and report annually to Congress on the status of such activities.

Amends the National Energy Conservation Policy Act to require that methods for estimating and comparing life cycle costs for Federal buildings shall use the sum of all capital and operating expenses associated with the energy system of the building involved over the expected life of such system or during a period of 25 years, whichever is shorter, and use marginal fuel costs determined by the Secretary and discount rate of seven percent per

year.

Establishes a three year pilot energy self-sufficiency program (and specified subprograms) to demonstrate energy self-sufficiency through the use of renewable energy resources in one or more States.

Amends the Federal Photovoltaic Utilization Act to include within the definition of "Federal facility," facilities related to programs administered by Federal agencies. Provides authority for an agency to procure photovoltaic systems for its own use.

Amends the Public Utility Regulatory Policies Act of 1978 to increase from 15,000 to 30,000 kilowatts the maximum capacity of a hydroelectric power project which qualifies as a "small hydroelectric project." Permits the Federal Energy Regulatory Commission to grant exemptions from the Federal Power Act to small hydroelectric power projects having a proposed installed capacity of 5,000 kilowatts or less, on a case-by-case basis or on the basis of classes or categories of projects, subject to the same limitations.

Directs the Secretary to complete a study of the existing Federal programs and policies relating to the development and commercialization of small-scale hydropower.

Authorizes appropriations for specified loans for small hydroelectric power plants for fiscal year 1981 and 1982 under the Public Utility Regulatory Policies Act of 1978.

=Title V: Solar Energy and Conservation= - Solar Energy and Energy Conservation Act of 1980 - =Subtitle A: Solar Energy and Energy Conservation Bank Act= - States that it is the purpose of this subtitle to encourage energy conservation and the use of solar energy, and thereby reduce the Nation's dependence on foreign sources of energy supplies, by establishing a Solar Energy and Energy Conservation Bank.

Establishes the Solar Energy and Energy Conservation Bank in the Department of Housing and Urban Development and provides that the Bank shall have the same powers as those given to the Government National Mortgage Association by the National Housing Act. Terminates the Bank after September 30, 1987.

Provides for a Board of Directors and officers and Personnel of the Bank.

Establishes as part of the Bank an Energy Conservation Advisory Committee to assist the Bank in carrying out the activities of the Bank which relate to residential and commercial energy conserving improvements.

Establishes as part of the Bank a Solar Energy Advisory Committee to provide advice to assist the Bank in carrying out the activities of the Bank which relate to solar energy systems.

Permits the Bank to make payments to financial institutions to provide financial assistance in the form of: (1) reductions of the principal obligations of loans, or portions of loans made to; (a) owners of and tenants in existing residential and multifamily residential buildings for the purchase and installation of residential energy conserving improvements in those buildings; (b) owners who occupy and tenants in existing commercial and agricultural buildings for the purchase and installation of commercial energy conserving improvements in those buildings; (c) owners of existing buildings for the purchase and installation of solar energy systems; (d) builders of newly constructed or substantially rehabilitated residential buildings that will contain solar energy systems; and (e) purchasers of new or substantially rehabilitated buildings containing solar energy systems; (2) prepayments of the interest which would otherwise be due on such loans; and (3) grants to owners of, and tenants in, existing residential buildings and tenants in existing multifamily residential buildings for the purchase and installation of residential energy conserving improvements in such buildings.

Directs the Board to establish the various levels of financial assistance, taking into consideration a variety of factors.

Sets various limits depending on income and number of dwelling units, on the maximum amount of financial assistance which may be provided to an owner or tenant for the purchase and installation of residential energy conserving improvements in a residential building. Limits the maximum amount of financial assistance which may be provided to an owner or tenant for the purchase and installation of residential energy conserving improvements in a multifamily residential building to: (1) 20 percent of the cost of such improvement; or (2) the sum of \$400 times the number of dwelling units in such building in the case of an owner; or \$400 in the case of a tenant. Limits the maximum amount of financial assistance which may be provided to an owner of, or tenant in, a commercial energy conserving improvements to an amount equal to 20 percent of the cost of such improvements or \$5,000, whichever is less.

Sets various limits, depending on income and number of dwelling units, on the maximum amount of financial assistance which may be provided to an owner of an existing residential building for the purchase and installation of a solar energy system in such building as to a purchaser or builder of a newly constructed or substantially rehabilitated residential building which has such a system. Limits the maximum amount of financial assistance which may be provided to an owner of an existing multifamily residential building for the purchase and installation of a solar energy system in such building or to a purchaser of a newly constructed or substantially rehabilitated multifamily residential building which has such a system to: (1) the lesser of an amount equal to 40 percent of the cost of the solar energy system, or \$2,500 times the number of dwelling units in such building; or (2) if the owner or purchaser certifies that a majority of the dwelling units in such building are occupied by tenants whose income does not exceed 80 percent of the median area income, 60 percent of the cost of the solar energy system, or \$2,500 times the number of dwelling units in such building.

Limits the maximum amount of financial assistance which may be provided to an owner of an existing commercial or agricultural building for the purchase and installation of a solar energy system in such building or to a purchaser of a newly constructed or substantially rehabilitated commercial or agricultural building which has such a system to 40 percent of the cost of the solar energy system or \$100,000, whichever is less.

Sets forth general conditions on financial assistance for loans which provide, among other things, that financial assistance may be provided by a financial institution with respect to a loan under this subtitle only if: (1) the interest rate is acceptable to the Board; (2) the security for the loan meets the requirements of the Board; (3) in the case of repayment of interest by the Bank, a financial institution must agree to repay to the Bank that portion of such repayment which is in excess of the actual interest due on the loan at the time the borrower fails to meet his or her obligation under the loan; and (4) the borrower agrees to certify that the proceeds of the loan have been used for energy conserving improvement or solar energy systems.

Sets forth specific conditions on financial assistance for: (1) residential and commercial energy conserving improvements; and (2) solar energy systems. Specifies, among other things: (1) terms of repayment; and (2) that the manufacturer of the energy conserving improvement or solar energy system must provide a warranty.

Provides that not less than 80 percent of the funds for financial assistance for energy conserving improvements shall be allocated for energy conserving improvements in single and multifamily residential buildings and not less than 15 percent of the total amount appropriated for energy conserving improvements shall be allocated to assist residential and multifamily residential buildings occupied by individuals whose incomes are 80 percent of median areas income or less.

Limits the amount payable to utilities for solar energy assistance to ten percent of the total payments appropriation for such assistance, except that such amount may be increased to 20 percent if such increase would further the purpose of solar energy usage. Provides that not less than 70

percent of appropriations for solar energy shall be for assistance to residential and multifamily residential buildings.

Directs the Bank to promote the program established by this subtitle by informing financial institutions, builders, and consumers of the benefits of the program and by actively seeking their participation in the program.

Directs the Board to submit an annual report to the Congress and to the President concerning Bank operations, solar energy systems, and energy conserving improvements.

Provides penalties for any person who knowingly makes any false statement or misrepresents any material fact with respect to any financial assistance provided under this subtitle, or who fails to make any disclosure or statement required by this subtitle.

Amends the Federal National Mortgage Association Charter Act to delete existing provisions under which the Secretary of Housing and Urban Development is authorized to direct the Government National Mortgage Association to purchase loans made for the purchase and installation of residential energy conservation improvements insured under the National Housing Act and directs the Bank instead to purchase any loans made for such improvements or solar energy systems unless such authority is unnecessary to advance the national program of energy conservation in residential buildings. Limits any loan or advance of credit to a maximum of \$15,000. Deletes the authority of the Secretary to direct the Government National Mortgage Association to purchase loans and advances of credit made to purchase and install solar energy systems to residential buildings and directs the Bank instead to purchase mortgages secured by newly constructed residential buildings containing solar energy systems unless unnecessary to advance solar energy systems nationally. Repeals that section of the Federal National Mortgage Association Charter Act which authorizes the Government National Mortgage Association to purchase at subsidized interest rates loans made to low and moderate income families to purchase and install energy conserving improvements in residences.

Permits the Federal Home Loan Mortgage Corporation to purchase residential mortgages from any public utility lending in accordance with the National Energy Conservation Policy Act if the mortgage is a loan or an advance of credit whose original proceeds are used to finance the installation of residential energy conserving improvements or a solar energy system in residential real estate.

Subtitle B: Utility Program - Redefines "residential building" under the National Energy Conservation Policy Act to include in such term, after January 1, 1982, any building which contains four or more dwelling units unless such building contain a heating or cooling system, or both, which is a central system.

Deletes the provision of the National Energy Conservation Policy Act which requires manufacturers to provide a three year warranty for products included as a "residential energy conservation measure" under the Act and requires instead that the manufacturer of any residential energy conservation measure must warrant in writing that the customer for whom the measure is installed, the installer, and the supplier shall be entitled to obtain, at a minimum, within a reasonable period of time and at no charge, appropriate replacement parts or materials.

Revises accounting and payment of cost requirements concerning utility programs under the National Energy Conservation Policy Act. Limits to a maximum of 15 dollars per dwelling unit utility charges related to project manager requirements.

Provides that any subsidy provided by a utility to any residential customer to purchase and install residential energy conservation measures shall not be treated as income or as an increase in the basis of the customer's residence for tax purposes.

Deletes the prohibition in the National Energy Conservation Policy Act against utilities financing energy conservation measures. Revises the prohibition in the Act on utilities installing and supplying conservation measures.

Requires the Secretary of Energy, in consultation with the Federal Trade Commission, to monitor financing, supply, and installation activities of public utilities in connection with residential energy conservation measures.

=Subtitle C: Residential Energy Efficiency Program= - Declares it to be the purpose of this subtitle to establish a program under which the Secretary of Energy encourages up to four demonstration programs that make energy conservation measures available without charge to residential property owners and tenants under a plan designed to maximize energy savings available in residential buildings in designated areas.

Amends the National Energy Conservation Policy Act to define a "residential building" as a building used as a residence which is not a new residence to which final performance standards under the Energy Conservation and Production Act apply and which has a heating or cooling system or both.

Authorizes the Secretary to approve any residential energy efficiency plan designed to demonstrate the feasibility, economics, and energy conserving potential of such plan if the plan provides for: (1) the entering into a contract by a public utility with a person or persons not under the control of and not affiliated with such utility for the implementation of a program to encourage energy conservation, including the supply and installation of energy conservation measures; (2) the selection by the public utility in a fair, open, and nondiscriminatory manner of such person or persons; (3) the payment by the utility to such person or persons contracted with of a specified price for each unit of energy saved by such utility, which price is based on the value to the utility of the energy saved; (4) the determination of the energy saved by the utility; (5) in the case of a regulated utility, the approval by the State regulatory authority exercising ratemaking authority over the utility; and (6) the enforcement of the contract. Requires any contract entered into by a public utility to require any person or persons entering into such contract with a public utility to offer the owner or occupant of each residential building in the portion of the utilities service area designated in the contract, without charge: (1) an inspection to determine which energy conservation measures will be installed in the building; (2) the supply and installation of energy conservation measures which have the owner's approval; and (3) a written warranty for any energy conservation measure supplied or installed.

Sets forth provisions relating to: (1) submission of applications; (2) approval of applications; (3) the issuance of rules and regulations to carry out this part; (4) the authority of the Federal Energy Regulatory Commission to exempt application of certain laws; and (5) recordkeeping and reporting requirements.

Directs the Secretary to revoke the approval of any plan if such plan: (1) causes unfair methods of competition; (2) has a substantial adverse effect on competition; or (3) provides a supplier or contractor of energy conservation measures with an unreasonably large share of the contracts for such measures.

=Subtitle D: Energy Conservation for Commercial Buildings and Multifamily Dwellings= - Amends the National Energy Conservation Policy Act to direct the Secretary of Energy, after consulting with the Secretary of Housing and Urban Development, to publish rules on the content and implementation of State energy conservation plans for commercial buildings and multifamily dwellings. Requires such rules to coordinate the requirements of this title, to the extent practicable, with provisions of the Energy Policy and Conservation Act and with the utility program established under the National Energy Conservation Policy Act.

Sets forth the procedures for the submission and approval of State energy conservation plans for commercial buildings and multifamily dwellings.

Requires such plans to include: (1) mandatory implementation by each regulated utility; (2) adequate State procedures for implementation and enforcement; (3) procedures for effective coordination with local, State, and Federal energy conserving programs affecting such State; and (4) adoption only after notice and public hearing. Requires plans submitted by nonregulated utilities to include these same elements. Sets forth conditions for the acceptance of such plans.

Requires each utility program to include procedures designed to ensure that each public utility: (1) offers to each eligible customer an energy audit of the customer's building; (2) conditions the availability of an energy audit in the case of a multifamily dwelling upon the agreement by the eligible customer to provide to the customer's tenants the information developed by the audit; and (3) maintains a report of each audit performed.

Directs each State regulatory authority or nonregulated utility to keep records of the amounts expended or received by such utility which are attributable to the utility energy audit program.

Requires each building heating supplier program to include procedures identical to those required for utilities.

Directs the Secretary of Energy to promulgate a plan for any State or nonregulated utility which does not have a plan of its own by a specified time.

=Subtitle E: Weatherization Program= - Amends the Energy Conservation in Existing Buildings Act of 1976 to provide that not more than ten percent of any weatherization grant may be used for administrative expenses.

Authorizes the Secretary of Energy, if there is an insufficient number of volunteers and CETA (Comprehensive Employment and Training Act) workers to work on weatherization projects to increase from \$800 to \$1600 per dwelling unit the amount payable to cover the costs of paying individuals who will install weatherization materials and, to the maximum extent feasible, who would otherwise have been eligible CETA workers.

Deletes provisions giving priority to community action agencies under the weatherization program. Establishes a procedure for selecting local agencies to conduct a weatherization program based on public comment received during public hearings and on other appropriate findings, provided that selection shall be based on an agency's experience in weatherization or housing activities.

Authorizes appropriations for the weatherization program through fiscal year 1981.

=Subtitle F: Energy Auditor Training and Certification= - Permits the Secretary of Energy to establish and implement a program to make grants to States to support State training and certification of energy auditors. Sets forth the procedures for the implementation of such program.

=Subtitle G: Industrial Energy Conservation= - Authorizes additional appropriations to the Secretary of Energy for industrial energy conservation demonstration projects designed to substantially increase productivity in industry for fiscal years 1981 and 1982.

=Subtitle H: Coordination of Federal Energy Conservation Factors and Data= - Directs the Secretary of Energy to assure that various Federal agency heads responsible for developing energy conservation standards for new or existing residential, commercial, or agricultural buildings reach a consensus regarding factors and data used to develop such standards. Directs the President to report to Congress concerning activities under this subtitle.

=Title VI: Geothermal Energy= - Geothermal Energy Act of 1980 - Authorizes the Secretary of Energy to make loans from funds available from the Geothermal Resources Development Fund to any person for exploration for or determination of the economic viability of a geothermal energy reservoir. Sets forth requirements for amount, term, interest, and repayment of such loans. Authorizes the Secretary to cancel the balance of any loan upon determining that such reservoir is unacceptable for commercial development. Terminates such loan program on September 30, 1986.

Authorizes appropriations to be deposited in such Fund for each of fiscal years 1981 through 1985 for such loan program.

=Subtitle B: Reservoir Insurance Program Study= - Directs the Secretary to conduct a detailed study of the need for and feasibility of establishing a reservoir insurance and reinsurance program and to report to Congress concerning such study.

Directs the Secretary, if the report is favorable and Congress authorizes the establishment of the program, to establish and implement a program in cooperation with the insurance and reinsurance industry to provide reservoir insurance to any qualified eligible applicant having a total direct investment of not less than \$1,000,000 in the development and use of a geothermal resource associated with a reservoir. Authorizes the appropriation of necessary funds for the purposes of such program.

=Subtitle C: Feasibility Study Loan Program= - Establishes in the Department of Energy a loan program for 90 percent of the costs of feasibility studies and regulatory applications and 75 percent of the costs of construction programs for development of proposed nonelectric geothermal systems. States that the Geothermal Resources Development Fund will be the source of funds for such loan program, and authorizes additional appropriations to supplement funds otherwise available in such fund.

=Subtitle D: Amendments to Geothermal Research, Development, and Demonstration Act= - Amends the Geothermal Energy Research, Development, and Demonstration Act of 1974 to increase the permissible coverage of guarantees under the existing Geothermal Loan Guarantee program from 75 percent to 90 percent of the project costs for loans to municipalities and other public cooperatives, as defined under the Federal Power Act. Extends such program for an additional five years to 1990.

Directs the Secretary to establish and implement procedures for the processing of loan guarantee applications under this title.

Requires the consideration of geothermal energy or geothermal energy resources in any new Federal building located in a geothermal resource area.

Amends Federal Power Act to include as a "small power production facility" a facility which produces electricity through the use of geothermal resources.

Amends the Public Utility Regulatory Policies Act of 1978 to require the Federal Energy Regulatory Commission to prescribe rules to encourage geothermal small power production facilities of not more than 80 megawatts capacity.

=Title VII: Acid Precipitation Program and Carbon Dioxide Study= - Subtitle A: Acid Precipitation= - Establishes an Acid Precipitation Task Force to prepare comprehensive research plan for a ten year program to identify the causes and effects of acid precipitation and to identify actions to limit or ameliorate the harmful effects of acid precipitation. Requires the comprehensive plan: (1) to be submitted in draft form to Congress within six months of enactment; (2) to be available for 60 days for public comment; and (3) to be submitted in final form within 45 days after the close of the period for public comment.

Requires the plan to be carried out during the nine years following the year in which the comprehensive plan is submitted in its final form.

=Subtitle B: Carbon Dioxide= - Directs the Director of the Office of Science and Technology Policy to enter into an agreement with the National Academy of Sciences to carry out a comprehensive study of the projected impact, on the level of carbon dioxide in the atmosphere, of fossil fuel combustion, coal-conversion and related synthetic fuels activities. Requires a report be submitted to Congress resulting from the study which shall include certain recommendations.

=Title VIII: Strategic Petroleum Reserve= - Amends the Energy Policy and Conservation Act to direct the President to undertake crude oil acquisition, transportation, and injection activities to assure that crude oil in storage in the Strategic Petroleum Reserve will be increased at an average rate of at least 100,000 barrels per day for fiscal year 1981 and for each fiscal year thereafter. Provides that when storage in the Strategic Petroleum Reserve equals or exceeds the final storage level set forth in the Strategic Petroleum Reserve Plan such acquisition shall cease.



Prohibits any portion of crude oil in the Elk Hills petroleum reserve from being sold or disposed of other than to the Strategic Petroleum Reserve, with certain exceptions, unless: (1) the quantity of crude oil in storage within the Strategic Petroleum Reserve is at least 500,000,000 barrels; or (2) acquisition, transportation, and injection activities for the Reserve are being undertaken for that year at a level sufficient to assure that crude oil in storage in the Strategic Petroleum Reserve will be increased at an average rate of at least 100,000 barrels per day for that year.

Provides that the provisions of the preceeding two paragraphs shall not apply if the President directs a drawdown and distribution of the Reserve or if: (1) the President finds that compliance with such provisions significantly impairs the ability of the United States to respond to a severe energy supply interruption or to meet international energy obligations; (2) the President transmits such findings to Congress together with a request for a suspension of the provisions; and (3) the request has been approved by both houses of Congress.

Permits the Secretary of Energy to enter into contracts for the sale of natural gas from the naval petroleum reserve for periods of more than one year.

Authorizes the President to direct the Secretary to place petroleum produced from the naval petroleum reserves in the Strategic Petroleum Reserve.

Authorizes the Secretary, at the request of the Secretary of Defense, during any period in which the production of petroleum is authorized from Naval Petroleum Reserves numbered one, two, or three, to provide any portion of such petroleum to the Department of Defense to meet that Department's petroleum requirements.

Directs the President to amend regulations, under the Emergency Petroleum Allocation Act of 1973 relating to entitlements, so as to have the effect of allocating lower tier crude oil to the Government for storage in the Strategic Petroleum Reserve. States that the amendment shall not apply to crude oil purchased after September 30, 1981, for storage and use. Authorizes the President, in addition, to direct that: (1) all or any portion of Federal royalty oil be placed in storage in the Reserve; (2) all or any portion of Federal royalty oil be exchanged directly or indirectly, for other crude oil storage in the Reserve; or (3) all or any portion of the proceeds from the sales of Federal royalty oil be transferred to a special account established on the books of Treasury for use for the purchase of crude oil for the Reserve.

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