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Revised

**AMENDMENT TO**  
**RULES COMMITTEE PRINT 112-24**  
**OFFERED BY MR. MARKEY OF MASSACHUSETTS**

Add at the end the following:

1     **TITLE \_\_\_\_\_—MISCELLANEOUS**  
2                     **PROVISIONS**

3     **SEC. \_\_\_\_1. COMBINED EFFICIENCY AND RENEWABLE ELEC-**  
4                     **TRICITY STANDARD.**

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

6             (1) **COMMISSION.**—The term “Commission”  
7             means the Federal Energy Regulatory Commission.

8             (2) **DISTRIBUTED RENEWABLE GENERATION**  
9             **FACILITY.**—The term “distributed renewable genera-  
10             tion facility” means a facility that—

11                 (A) generates renewable electricity;

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

14                 (C) is no greater than 2 megawatts in ca-  
15             pacity.

16             (3) **ELECTRIC CONSUMER.**—The term “electric  
17             consumer” has the meaning given that term in sec-  
18             tion 3 of the Public Utility Regulatory Policies Act  
19             of 1978 (16 U.S.C. 2602).

1           (4) ELECTRIC UTILITY.—The term “electric  
2 utility” has the meaning given that term in section  
3 3 of the Public Utility Regulatory Policies Act of  
4 1978 (16 U.S.C. 2602), except that, for the pur-  
5 poses of this section, such term does not include any  
6 agency, authority, or instrumentality of the United  
7 States Government.

8           (5) ELECTRICITY SAVINGS.—The term “elec-  
9 tricity savings” means reductions in electricity con-  
10 sumption, relative to business-as-usual projections,  
11 achieved through measures implemented after the  
12 date of enactment of this section.

13           (6) FEDERAL RENEWABLE ELECTRICITY CRED-  
14 IT.—The term “Federal renewable electricity credit”  
15 means a credit, representing one megawatt hour of  
16 renewable electricity, issued pursuant to subsection  
17 (e).

18           (7) RENEWABLE ELECTRICITY.—The term “re-  
19 newable electricity” means electricity generated (in-  
20 cluding by means of a fuel cell) from a renewable en-  
21 ergy resource.

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

25           (A) Wind energy.

1 (B) Solar energy.

2 (C) Geothermal energy.

3 (D) Renewable biomass.

4 (E) Biogas or biofuels derived from renew-  
5 able biomass.

6 (F) Hydropower generated by a hydro-  
7 electric facility placed in service after January  
8 1, 2001.

9 (G) Marine and hydrokinetic renewable en-  
10 ergy, as that term is defined in section 632 of  
11 the Energy Independence and Security Act of  
12 2007 (42 U.S.C. 17211).

13 (H) Such other energy resources as the  
14 Commission, with the approval of the Secretary  
15 of Energy, determines appropriate.

16 (9) RETAIL ELECTRIC SUPPLIER.—The term  
17 “retail electric supplier” means, for any given year,  
18 an electric utility that sold not less than 1,000,000  
19 megawatt hours of electric energy to electric con-  
20 sumers for purposes other than resale during the  
21 preceding calendar year.

22 (10) RETAIL ELECTRIC SUPPLIER’S BASE  
23 AMOUNT.—The term “retail electric supplier’s base  
24 amount” means the total amount of electric energy  
25 sold by the retail electric supplier, expressed in

1 megawatt hours, to electric customers for purposes  
2 other than resale during the relevant calendar year,  
3 excluding—

4 (A) electricity generated by a hydroelectric  
5 facility that was placed in service prior to Janu-  
6 ary 1, 2001;

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

9 (C) electricity generated by a nuclear gen-  
10 erating unit placed in service after the date of  
11 enactment of this section; and

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

17 (11) TOTAL ANNUAL ELECTRICITY SAVINGS.—

18 The term “total annual electricity savings” means  
19 electricity savings during a specified calendar year  
20 from measures implemented since the date of the en-  
21 actment of this section, taking into account verified  
22 measure lifetimes or verified annual savings attrition  
23 rates, as determined in accordance with such regula-  
24 tions as the Commission may promulgate and meas-  
25 ured in megawatt hours.

1 (b) ANNUAL COMPLIANCE OBLIGATION.—

2 (1) IN GENERAL.—For each of calendar years  
3 2014 through 2040, not later than March 31 of the  
4 following calendar year, each retail electric supplier  
5 shall submit to the Commission an amount of Fed-  
6 eral renewable electricity credits and demonstrated  
7 total annual electricity savings that, in the aggre-  
8 gate, is equal to such retail electric supplier's annual  
9 combined target as set forth in subsection (d), ex-  
10 cept as otherwise provided in subsection (g).

11 (2) DEMONSTRATION OF SAVINGS.—For pur-  
12 poses of this subsection, submission of demonstrated  
13 total annual electricity savings means submission of  
14 a report that demonstrates, in accordance with the  
15 requirements of subsection (f), the total annual elec-  
16 tricity savings achieved by the retail electric supplier  
17 within the relevant compliance year.

18 (3) RENEWABLE ELECTRICITY CREDITS POR-  
19 TION.—Except as provided in paragraph (4), each  
20 retail electric supplier must submit Federal renew-  
21 able electricity credits equal to at least three quar-  
22 ters of the retail electric supplier's annual combined  
23 target.

24 (4) STATE PETITION.—Upon written request  
25 from the Governor of any State (including, for pur-

1 poses of this paragraph, the Mayor of the District  
2 of Columbia), the Commission shall increase, to not  
3 more than half, the proportion of the annual com-  
4 bined targets of retail electric suppliers located with-  
5 in such State that may be met through submission  
6 of demonstrated total annual electricity savings, pro-  
7 vided that such increase shall be effective only with  
8 regard to the portion of a retail electric supplier's  
9 annual combined target that is attributable to elec-  
10 tricity sales within such State.

11 (c) ESTABLISHMENT OF PROGRAM.—Not later than  
12 1 year after the date of enactment of this section, the  
13 Commission shall promulgate regulations to implement  
14 and enforce the requirements of this section.

15 (d) ANNUAL COMPLIANCE REQUIREMENT.—

16 (1) ANNUAL COMBINED TARGETS.—For each of  
17 calendar years 2014 through 2040, a retail electric  
18 supplier's annual combined target shall be the prod-  
19 uct of—

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

22 (B) the retail electric supplier's base  
23 amount for such year.

24 (2) REQUIRED ANNUAL PERCENTAGE.—

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

Year	Required annual percentage
2014	8
2015	10
2016	12
2017	14
2018	16
2019	18
2020	20
2021	22
2022	24
2023	26
2024	28
2025	30
2026	32
2027	34
2028	36
2029	38
2030	40
2031	42
2032	44
2033	46
2034	48
2035 through 2040	50

4 (B) ADJUSTMENTS PERMITTED.—The  
 5 Commission, with the approval of the Secretary  
 6 of Energy, may adjust the required annual per-  
 7 centages described in subparagraph (A) if the  
 8 Commission and the Secretary find that such  
 9 percentages are not technically or economically  
 10 feasible or pose a threat to electric reliability.

11 (e) FEDERAL RENEWABLE ELECTRICITY CREDITS.—

12 (1) IN GENERAL.—The regulations promulgated  
 13 under this section shall include provisions governing

1 the issuance, tracking, and verification of Federal  
2 renewable electricity credits. Except as provided in  
3 paragraph (2) of this subsection, the Commission  
4 shall issue to each generator of renewable electricity,  
5 1 Federal renewable electricity credit for each mega-  
6 watt hour of renewable electricity generated by such  
7 generator after December 31, 2013. The Commis-  
8 sion shall assign a unique serial number to each  
9 Federal renewable electricity credit.

10 (2) CREDIT MULTIPLIER FOR DISTRIBUTED RE-  
11 NEWABLE GENERATION.—The Commission shall  
12 issue 3 Federal renewable electricity credits for each  
13 megawatt hour of renewable electricity generated by  
14 a distributed renewable generation facility.

15 (3) TRADING.—The lawful holder of a Federal  
16 renewable electricity credit may sell, exchange,  
17 transfer, submit for compliance in accordance with  
18 subsection (b).

19 (4) BANKING.—A Federal renewable electricity  
20 credit may be submitted in satisfaction of the com-  
21 pliance obligation set forth in subsection (b) for the  
22 compliance year in which the credit was issued or for  
23 any of the 3 immediately subsequent compliance  
24 years.

25 (f) ELECTRICITY SAVINGS.—

1           (1) STANDARDS FOR MEASUREMENT OF SAV-  
2           INGS.—As part of the regulations promulgated  
3           under this section, the Commission shall prescribe  
4           standards and protocols for defining and measuring  
5           electricity savings and total annual electricity sav-  
6           ings that can be counted towards the compliance ob-  
7           ligation set forth in subsection (b).

8           (2) REPORTING SAVINGS.—The regulations pro-  
9           mulgated under this section shall establish require-  
10          ments governing the submission of reports to dem-  
11          onstrate, in accordance with the protocols and stand-  
12          ards for measurement and verification established  
13          under this subsection, the total annual electricity  
14          savings achieved by a retail electric supplier within  
15          the relevant year.

16          (g) ALTERNATIVE COMPLIANCE PAYMENTS.—

17           (1) IN GENERAL.—A retail electric supplier  
18           may satisfy the requirements of subsection (b) in  
19           whole or in part by submitting in accordance with  
20           this subsection, in lieu of each Federal renewable  
21           electricity credit or megawatt hour of demonstrated  
22           total annual electricity savings that would otherwise  
23           be due, a payment equal to \$25, adjusted for infla-  
24           tion on January 1 of each year following calendar

1 year 2014, in accordance with such regulations as  
2 the Commission may promulgate.

3 (2) PAYMENTS.—Payments made under this  
4 subsection shall be deposited into the general fund  
5 of the Treasury and shall be available, subject to ap-  
6 propriations, to the Commission for the administra-  
7 tive costs of implementing this section.

