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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend title VI of the Public Utility Regulatory Policies Act of 1978 to establish a Federal renewable electricity standard for retail electricity suppliers, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. WELCH introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend title VI of the Public Utility Regulatory Policies Act of 1978 to establish a Federal renewable electricity standard for retail electricity suppliers, 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; FINDINGS.**

4       (a) SHORT TITLE.—

5               This Act may be cited as the “American Re-  
6       newable Energy Act of 2021”.

7       (b) FINDINGS.—Congress finds that—

1           (1) the Federal renewable electricity standard  
2           established by section 610 of the Public Utility Reg-  
3           ulatory Policies Act of 1978 (as added by this Act)  
4           establishes a market-based policy to create ongoing  
5           competition among renewable electricity generators  
6           across the United States and provide the greatest  
7           quantity of clean electricity for the lowest price; and

8           (2) the United States has vast wind, solar, hy-  
9           dropower, and geothermal resources that—

10                   (A) are renewable;

11                   (B) are dispersed widely across different  
12           regions of the United States;

13                   (C) can be harnessed to generate a signifi-  
14           cant share of electricity in the United States;  
15           and

16                   (D) when deployed, will significantly re-  
17           duce and eliminate the emission of harmful  
18           greenhouse gases and criteria pollutants, which  
19           have historically been concentrated in under-  
20           served communities and communities of color,  
21           contributing to disproportionate burdens and  
22           environmental injustices.

1 **SEC. 2. FEDERAL RENEWABLE ELECTRICITY STANDARD.**

2 Title VI of the Public Utility Regulatory Policies Act  
3 of 1978 (16 U.S.C. 2601 et seq.) is amended by adding  
4 after section 609 (7 U.S.C. 918c) the following:

5 **“SEC. 610. FEDERAL RENEWABLE ELECTRICITY STANDARD.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) CRITERIA AIR POLLUTANT.—The term  
8 ‘criteria air pollutant’ means an air pollutant for  
9 which a national ambient air quality standard has  
10 been promulgated under section 109 of the Clean  
11 Air Act.

12 “(2) DISTRIBUTED GENERATION.—The term  
13 ‘distributed generation’ means a non-centralized re-  
14 newable energy resource installation, or inter-  
15 connected series of installations, that generates elec-  
16 tricity near the point of use with a total generating  
17 capacity of 1 megawatt or less.

18 “(3) ENVIRONMENTAL JUSTICE COMMUNITY.—

19 “(A) IN GENERAL.—The term ‘environ-  
20 mental justice community’ means a low-income  
21 or low-wealth community that is impacted by  
22 environmental injustice.

23 “(B) INCLUSIONS.—The term ‘environ-  
24 mental justice community’ includes any commu-  
25 nity that—

1 “(i) is located nearest to an existing  
2 area of significant environmental pollution  
3 and degradation;

4 “(ii) bears a burden of negative public  
5 health effects from pollution;

6 “(iii) includes 1 or more sites of—

7 “(I) a facility that is a part of a  
8 polluting industry;

9 “(II) a waste dump; or

10 “(III) a facility for fossil resource  
11 extraction;

12 “(iv) experiences a high incidence of  
13 climate change impacts and disasters;

14 “(v) has been excluded or harmed by  
15 racist or discriminatory policies that have  
16 resulted in disproportionate burdens of en-  
17 vironmental pollution and related health  
18 and socioeconomic disparities;

19 “(vi) has a land-based or food subsist-  
20 ence culture that is experiencing ecosystem  
21 disruption and devastation;

22 “(vii) faces relocation and resettlement  
23 resulting from—

24 “(I) climate change; or

1 “(II) impacts to the environment  
2 and ecosystems; or

3 “(viii) is an Indigenous community.

4 “(4) FEDERAL RENEWABLE ELECTRICITY  
5 CREDIT.—The term ‘Federal renewable electricity  
6 credit’ means a credit that—

7 “(A) represents, for purposes of compli-  
8 ance with this section, 1 megawatt hour of re-  
9 newable electricity; and

10 “(B) is issued pursuant to subsection (e).

11 “(5) IMPACTED COMMUNITY.—

12 “(A) IN GENERAL.—The term ‘impacted  
13 community’ means a community that is harmed  
14 by environmental, economic, or socioeconomic  
15 injustice.

16 “(B) INCLUSIONS.—The term ‘impacted  
17 community’ includes—

18 “(i) an environmental justice commu-  
19 nity; and

20 “(ii) a community that—

21 “(I) has a high concentration of  
22 low-income and low-wealth house-  
23 holds, including households comprised  
24 primarily of members of groups that  
25 have historically experienced discrimi-

1 nation on the basis of race, gender,  
2 national origin, or ethnicity (including  
3 Black, Indigenous, Latinx, Arab,  
4 Asian, and Pacific Islander commu-  
5 nities);

6 “(II) has experienced or is expe-  
7 riencing economic transition,  
8 deindustrialization, historic under-  
9 investment, and poverty; or

10 “(III) has high unemployment  
11 due to—

12 “(aa) a significant decline in  
13 coal mining activity; or

14 “(bb) the closure of a coal-  
15 fired power plant.

16 “(6) INDIAN TRIBE.—The term ‘Indian Tribe’  
17 means any Indian Tribe, band, nation, or other or-  
18 ganized group or community (including any Native  
19 village, Regional Corporation, or Village Corporation  
20 (as those terms are defined in section 3 of the Alas-  
21 ka Native Claims Settlement Act)) that is recognized  
22 as eligible for the special programs and services pro-  
23 vided by the United States to Indians because of  
24 their status as Indians.

1           “(7) QUALIFIED HYDROPOWER.—The term  
2           ‘qualified hydropower’ means energy produced from  
3           generating capacity added to a dam on or after Jan-  
4           uary 1, 2001, if the Commission certifies that—

5                   “(A) the dam—

6                           “(i) was placed in service before the  
7                           date of enactment of this section;

8                           “(ii) was operated for flood control,  
9                           navigation, or water supply purposes; and

10                          “(iii) was not producing hydroelectric  
11                          power prior to the addition of the capacity;  
12                          and

13                          “(B) the hydroelectric project installed on  
14           the dam—

15                           “(i) is licensed or is exempt from li-  
16                           censing by the Commission;

17                           “(ii) is in compliance with—

18                                   “(I) the terms and conditions of  
19                                   the license or exemption; and

20                                   “(II) other applicable legal re-  
21                                   quirements for the protection of envi-  
22                                   ronmental quality, including applica-  
23                                   ble fish passage requirements; and

24                           “(iii) is operated so that the water  
25           surface elevation at any given location and

1 time that would have occurred in the ab-  
2 sence of the hydroelectric project is main-  
3 tained, subject to any license or exemption  
4 requirements that require changes in water  
5 surface elevation for the purpose of im-  
6 proving the environmental quality of the  
7 affected waterway.

8 “(8) RENEWABLE ELECTRICITY.—The term ‘re-  
9 newable electricity’ means electricity generated (in-  
10 cluding by means of a fuel cell) from a renewable en-  
11 ergy resource.

12 “(9) RENEWABLE ENERGY RESOURCE.—The  
13 term ‘renewable energy resource’ means each of the  
14 following:

15 “(A) Wind energy.

16 “(B) Solar energy.

17 “(C) Geothermal energy.

18 “(D) Biogas derived from anaerobic diges-  
19 tion at wastewater treatment facilities, or from  
20 farm anaerobic digestion.

21 “(E) Qualified hydropower.

22 “(F) Marine energy (as defined in section  
23 632 of the Energy Independence and Security  
24 Act of 2007).

25 “(10) RETAIL ELECTRICITY SUPPLIER.—

1           “(A) IN GENERAL.—The term ‘retail elec-  
2           tricity supplier’ means, for any calendar year,  
3           an electric utility that sells not fewer than  
4           1,000,000 megawatt hours of electricity to elec-  
5           tric consumers during the preceding calendar  
6           year.

7           “(B) INCLUSIONS AND LIMITATIONS.—For  
8           purposes of determining whether an electric  
9           utility qualifies as a retail electricity supplier  
10          under subparagraph (A)—

11           “(i) the sales made by any affiliate of  
12           the electric utility to electric consumers,  
13           other than sales to lessees or tenants of  
14           the affiliate, shall be considered to be sales  
15           made by the electric utility; and

16           “(ii) sales made by the electric utility  
17           to an affiliate, lessee, or tenant of the elec-  
18           tric utility shall not be treated as sales to  
19           electric consumers.

20           “(C) AFFILIATE.—In this paragraph, the  
21           term ‘affiliate’ when used in relation to a per-  
22           son, means another person that directly or indi-  
23           rectly owns or controls, is owned or controlled  
24           by, or is under common ownership or control

1 with, that person, as determined under regula-  
2 tions promulgated by the Commission.

3 “(11) RETAIL ELECTRICITY SUPPLIER’S BASE  
4 QUANTITY.—The term ‘retail electricity supplier’s  
5 base quantity’ means the total quantity of electricity  
6 sold by the retail electricity supplier, expressed in  
7 megawatt hours, to electric consumers during the  
8 relevant calendar year, excluding—

9 “(A) electricity generated by a hydro-  
10 electric facility, other than qualified hydro-  
11 power; and

12 “(B) electricity generated by the combus-  
13 tion of municipal solid waste.

14 “(12) RETIRE AND RETIREMENT.—The terms  
15 ‘retire’ and ‘retirement’ mean, with respect to a  
16 Federal renewable electricity credit, to disqualify the  
17 credit for any subsequent use under this section, re-  
18 gardless of whether the use is a sale, transfer, ex-  
19 change, or submission in satisfaction of a compliance  
20 obligation.

21 “(b) ANNUAL COMPLIANCE OBLIGATION.—

22 “(1) IN GENERAL.—Except as otherwise pro-  
23 vided in subsection (f), for each of calendar years  
24 2021 through 2030, not later than March 31 of the  
25 following calendar year, each retail electricity sup-

1 plier shall submit to the Commission a quantity of  
2 Federal renewable electricity credits that represents  
3 a quantity of megawatt hours of renewable elec-  
4 tricity that is at least equal to the annual target of  
5 the retail electricity supplier under subsection (d).

6 “(2) EQUITY REQUIREMENTS.—

7 “(A) DISTRIBUTED GENERATION.—The  
8 Commission shall require that, of the quantity  
9 of Federal renewable electricity credits required  
10 to be submitted by a retail electricity supplier  
11 to comply with paragraph (1)—

12 “(i) for the period of calendar years  
13 2021 through 2024, at least 15 percent of  
14 such Federal renewable electricity credits  
15 represent megawatt hours of renewable  
16 electricity generated by distributed genera-  
17 tion; and

18 “(ii) for the period of calendar years  
19 2025 through 2030, at least 20 percent of  
20 such Federal renewable electricity credits  
21 represent megawatt hours of renewable  
22 electricity generated by distributed genera-  
23 tion.

24 “(B) IMPACTED COMMUNITIES.—The  
25 Commission shall require that, of the quantity

1 of Federal renewable electricity credits required  
2 to be submitted by a retail electricity supplier  
3 to comply with paragraph (1)—

4 “(i) for the period of calendar years  
5 2021 through 2024, at least 15 percent of  
6 such Federal renewable electricity credits  
7 represent megawatt hours of renewable  
8 electricity generated in impacted commu-  
9 nities; and

10 “(ii) for the period of calendar years  
11 2025 through 2030, at least 20 percent of  
12 such Federal renewable electricity credits  
13 represent megawatt hours of renewable  
14 electricity generated in impacted commu-  
15 nities.

16 “(C) DISTRIBUTED GENERATION OCCUR-  
17 RING IN A IMPACTED COMMUNITY.—For any  
18 calendar year, distributed generation that oc-  
19 curs in a impacted community may be used for  
20 purposes of complying with both subparagraph  
21 (A) and subparagraph (B).

22 “(c) ESTABLISHMENT.—

23 “(1) IN GENERAL.—Not later than January 1,  
24 2022, the Commission shall promulgate regulations

1 to implement and enforce the requirements of this  
2 section.

3 “(2) CONSIDERATIONS.—In promulgating regu-  
4 lations under paragraph (1), the Commission shall,  
5 to the maximum extent practicable—

6 “(A) preserve the integrity and incorporate  
7 best practices of existing State and Tribal re-  
8 newable electricity programs;

9 “(B) preserve the integrity of voluntary re-  
10 newable energy markets;

11 “(C) design and implement such regula-  
12 tions in a manner that seeks to be equitable  
13 and just;

14 “(D) identify and prioritize measures to  
15 maximize reductions of emissions of greenhouse  
16 gases and criteria air pollutants in impacted  
17 communities;

18 “(E) ensure that activities undertaken to  
19 comply with such regulations result in a net de-  
20 crease in emissions of criteria air pollutants in  
21 impacted communities;

22 “(F) ensure that the deployment of any  
23 new renewable electricity generation provides  
24 economic, health, and resiliency benefits to the  
25 communities and areas in which the generation

1 is built, including the use of community benefit  
2 agreements or equivalent means as determined  
3 appropriate by the Commission;

4 “(G) prioritize measures that will  
5 incentivize or allow for distributed, community,  
6 and public ownership over renewable energy  
7 projects;

8 “(H) establish and delegate to an appro-  
9 priate entity the administration of a national  
10 Federal renewable electricity credit trading  
11 market for the issuance and trade of Federal  
12 renewable electricity credits, relying on existing  
13 and emerging State, Tribal, or regional track-  
14 ing systems that issue and track non-Federal  
15 renewable electricity credits;

16 “(I) establish and delegate to appropriate  
17 entities the administration of not fewer than 6  
18 regional, geographically-based, Federal renew-  
19 able electricity credit trading markets, and de-  
20 termine the optimal levels of credit trading al-  
21 lowed within and between regions to maximize  
22 deployment of new renewable electricity genera-  
23 tion within each region;

24 “(J) cooperate with States and Indian  
25 Tribes—

1 “(i) to facilitate coordination between  
2 State, Tribal, and Federal renewable elec-  
3 tricity programs; and

4 “(ii) to minimize administrative bur-  
5 dens and costs to retail electricity sup-  
6 pliers; and

7 “(K) encourage strategic deployment of  
8 distributed generation to maximize system ben-  
9 efits that can lower costs for all customers, in-  
10 cluding siting generation resources in grid-con-  
11 strained areas and co-location of renewable en-  
12 ergy resources with energy storage.

13 “(d) ANNUAL COMPLIANCE REQUIREMENT.—

14 “(1) ANNUAL TARGETS.—For each of calendar  
15 years 2021 through 2030, the annual target of a re-  
16 tail electricity supplier shall be equal to the number  
17 of megawatt hours that is equal to the product ob-  
18 tained by multiplying—

19 “(A) the required annual percentage for  
20 that calendar year under paragraph (2); and

21 “(B) the retail electricity supplier’s base  
22 quantity for that calendar year.

23 “(2) REQUIRED ANNUAL PERCENTAGE.—For  
24 each of calendar years 2021 through 2030, the re-  
25 quired annual percentage shall be as follows:

<b>“Year:</b>	<b>Required annual percentage:</b>
2021 .....	20.0
2022 .....	24.5
2023 .....	29.0
2024 .....	34.0
2025 .....	39.0
2026 .....	45.0
2027 .....	51.0
2028 .....	57.0
2029 .....	63.5
2030 .....	70.0

1       “(e) FEDERAL RENEWABLE ELECTRICITY CRED-  
2 ITS.—

3               “(1) IN GENERAL.—

4                       “(A)               ISSUANCE;               TRACKING;  
5 VERIFICATION.—The regulations promulgated  
6 under this section shall include provisions gov-  
7 erning the issuance, tracking, and verification  
8 of Federal renewable electricity credits.

9                       “(B) CREDIT RATIO.—Except as provided  
10 in paragraphs (2) through (5), the Commission  
11 shall issue to each generator of renewable elec-  
12 tricity 1 Federal renewable electricity credit for  
13 each megawatt hour of renewable electricity  
14 generated by the generator after December 31,  
15 2020.

16                       “(C) SERIAL NUMBER.—The Commission  
17 shall assign a unique serial number to each  
18 Federal renewable electricity credit.

1           “(2) GENERATION FROM CERTAIN STATE RE-  
2       NEWABLE ELECTRICITY PROGRAMS.—

3           “(A) IN GENERAL.—If renewable elec-  
4       tricity is generated with the support of pay-  
5       ments from a retail electricity supplier pursuant  
6       to a State renewable electricity program  
7       (whether through State alternative compliance  
8       payments or through payments to a State re-  
9       newable electricity procurement fund or entity),  
10      the Commission shall issue Federal renewable  
11      electricity credits to the retail electricity sup-  
12      plier for the portion of the relevant renewable  
13      electricity generation that is attributable to pay-  
14      ments made by the retail electricity supplier, as  
15      determined pursuant to regulations promul-  
16      gated by the Commission.

17          “(B) REMAINING PORTION.—For any re-  
18      maining portion of the relevant renewable elec-  
19      tricity generation, the Commission shall issue  
20      Federal renewable electricity credits to the gen-  
21      erator, as provided in paragraph (1), except  
22      that not more than 1 Federal renewable elec-  
23      tricity credit shall be issued for the same mega-  
24      watt hour of electricity.

1           “(C) STATE GUIDANCE.—In determining  
2           how Federal renewable electricity credits will be  
3           apportioned among retail electricity suppliers  
4           and generators under this paragraph, the Com-  
5           mission shall consider information and guidance  
6           issued by the applicable one or more States.

7           “(3) CERTAIN POWER SALES CONTRACTS.—Ex-  
8           cept as otherwise provided in paragraph (2), if a  
9           generator has sold renewable electricity to a retail  
10          electricity supplier under a contract for power from  
11          a facility placed in service before the date of enact-  
12          ment of this section, and the contract does not pro-  
13          vide for the determination of ownership of the Fed-  
14          eral renewable electricity credits associated with the  
15          generation, the Commission shall issue the Federal  
16          renewable electricity credits to the retail electricity  
17          supplier for the duration of the contract.

18          “(4) CREDITS BASED ON QUALIFIED HYDRO-  
19          POWER.—For purposes of this subsection, the num-  
20          ber of megawatt hours of renewable electricity gen-  
21          eration from qualified hydropower shall be cal-  
22          culated—

23                 “(A) based solely on the increase in aver-  
24                 age annual generation directly resulting from

1 the efficiency improvements or capacity addi-  
2 tions described in subsection (a)(6); and

3 “(B) using the same water flow informa-  
4 tion used to determine a historic average an-  
5 nual generation baseline for the hydroelectric  
6 facility, as certified by the Commission.

7 “(5) CREDITS BASED ON FARM ANAEROBIC DI-  
8 GESTION.—For any calendar year, a generator may  
9 only receive Federal renewable electricity credits for  
10 renewable electricity generated from biogas that is  
11 derived from farm anaerobic digestion if—

12 “(A) any manure used for such anaerobic  
13 digestion is from a farm that only provides its  
14 manure for anaerobic digestion to one anaerobic  
15 digester system;

16 “(B) the anaerobic digester system used by  
17 such generator has a capacity of less than, or  
18 equal to, 1 megawatt; and

19 “(C) during such calendar year the total  
20 renewable electricity produced from biogas de-  
21 rived from farm anaerobic digestion in the ap-  
22 plicable State represents not more than 10 per-  
23 cent of the State’s overall electricity usage.

24 “(6) GENERATION FROM MIXED RENEWABLE  
25 AND NONRENEWABLE RESOURCES.—If electricity is

1 generated using both a renewable energy resource  
2 and an energy source that is not a renewable energy  
3 resource, the Commission shall issue Federal renew-  
4 able electricity credits based on the proportion of the  
5 electricity generated that is attributable to the re-  
6 newable energy resource.

7 “(7) PROHIBITION AGAINST DOUBLE-COUNT-  
8 ING.—The Commission shall ensure that—

9 “(A) no Federal renewable electricity cred-  
10 it is used more than once for compliance with  
11 this section; and

12 “(B) not more than 1 Federal renewable  
13 electricity credit is issued for any megawatt  
14 hour of renewable electricity generated.

15 “(8) TRADING.—The lawful holder of a Federal  
16 renewable electricity credit may—

17 “(A) sell, exchange, or transfer the credit;

18 “(B) submit the credit for compliance  
19 under subsection (b); or

20 “(C) submit the credit for retirement by  
21 the Commission.

22 “(9) BANKING.—

23 “(A) IN GENERAL.—A Federal renewable  
24 electricity credit may be submitted in satisfac-  
25 tion of the compliance obligation under sub-

1 section (b) for the compliance year for which  
2 the credit was issued or for any of the 2 imme-  
3 diately subsequent compliance years.

4 “(B) RETIREMENT.—The Commission  
5 shall retire any Federal renewable electricity  
6 credit that has not been retired by April 2 of  
7 the calendar year that is 2 years after the cal-  
8 endar year during which the credit was issued.

9 “(10) RETIREMENT.—The Commission shall re-  
10 tire a Federal renewable electricity credit imme-  
11 diately upon submission by the lawful holder of the  
12 credit, whether in satisfaction of a compliance obli-  
13 gation under subsection (b) or for another reason.

14 “(f) ALTERNATIVE COMPLIANCE PAYMENTS.—

15 “(1) IN GENERAL.—A retail electricity supplier  
16 may satisfy the requirements of subsection (b) in  
17 whole or in part by submitting in accordance with  
18 this subsection, in lieu of each Federal renewable  
19 electricity credit that would otherwise be submitted,  
20 an alternative compliance payment equal to \$50, ad-  
21 justed for inflation on January 1 of each year fol-  
22 lowing calendar year 2021, in accordance with regu-  
23 lations promulgated by the Commission.

24 “(2) PAYMENT TO STATE FUNDS.—

1           “(A) IN GENERAL.—Except as otherwise  
2           provided in this paragraph, payments made  
3           under this subsection shall be made directly to  
4           one or more States in which the retail elec-  
5           tricity supplier sells electricity, in proportion to  
6           the portion of the retail electricity supplier’s  
7           base quantity that is sold within each applicable  
8           State, if—

9                   “(i) the payments are deposited di-  
10                  rectly into a fund of the State treasury es-  
11                  tablished for that purpose; and

12                   “(ii) the State uses the funds in ac-  
13                  cordance with paragraphs (3) and (4).

14           “(B) NONCOMPLIANCE.—If the Commis-  
15           sion determines that a State is in substantial  
16           noncompliance with paragraph (3) or paragraph  
17           (4), the Commission shall direct that any future  
18           alternative compliance payments that would  
19           otherwise be paid to the State under this sub-  
20           section shall instead be paid to the Commission  
21           and deposited in the Treasury.

22           “(3) STATE USE OF FUNDS.—As a condition of  
23           receipt of alternative compliance payments pursuant  
24           to this subsection, a State shall—

25                   “(A) use the payments exclusively for—

1 “(i) deploying technologies that gen-  
2 erate electricity from renewable energy re-  
3 sources;

4 “(ii) deploying technologies that store  
5 electricity for use at a later time; or

6 “(iii) implementing cost-effective en-  
7 ergy efficiency programs to achieve energy  
8 savings; and

9 “(B) invest or use the payments in a man-  
10 ner designed to ensure that impacted commu-  
11 nities receive, or directly benefit from, at least  
12 50 percent of such funds.

13 “(4) REPORTING.—

14 “(A) IN GENERAL.—As a condition of re-  
15 ceipt of alternative compliance payments pursu-  
16 ant to this subsection, a State shall submit to  
17 the Commission an annual report, in accord-  
18 ance with regulations promulgated by the Com-  
19 mission, containing a full accounting of the use  
20 of the payments, including a detailed descrip-  
21 tion of the activities funded by the payments  
22 and demonstrating compliance with the require-  
23 ments of this subsection.

24 “(B) DEADLINE.—A State shall submit a  
25 report under this paragraph—

1 “(i) not later than 1 year after the  
2 date on which the first alternative compli-  
3 ance payment is received; and

4 “(ii) every 1 year thereafter until all  
5 alternative compliance payments are ex-  
6 pended.

7 “(g) INFORMATION COLLECTION.—The Commission  
8 may require any retail electricity supplier, renewable elec-  
9 tricity generator, or any other entity that the Commission  
10 determines appropriate, to provide any information the  
11 Commission determines appropriate to carry out this sec-  
12 tion.

13 “(h) ENFORCEMENT AND JUDICIAL REVIEW.—

14 “(1) FAILURE TO SUBMIT CREDITS.—If any  
15 person fails to comply with the requirements of sub-  
16 section (b) or (f) for a calendar year, the person  
17 shall be liable to pay to the Commission a civil pen-  
18 alty equal to the product obtained by multiplying—

19 “(A) double the alternative compliance  
20 payment calculated under subsection (f)(1) for  
21 such calendar year; and

22 “(B) the aggregate quantity of Federal re-  
23 newable electricity credits or equivalent alter-  
24 native compliance payments that the person  
25 failed to submit in violation of the requirements

1 of subsections (b) and (f) for such calendar  
2 year.

3 “(2) ENFORCEMENT.—The Commission shall  
4 assess a civil penalty under paragraph (1) in accord-  
5 ance with the procedures described in section 31(d)  
6 of the Federal Power Act.

7 “(3) VIOLATION OF REQUIREMENT OF REGULA-  
8 TIONS OR ORDERS.—

9 “(A) IN GENERAL.—Any person who vio-  
10 lates or fails or refuses to comply with any re-  
11 quirement of this section, other than a require-  
12 ment of subsection (b) or (f), shall be subject  
13 to a civil penalty under section 316A(b) of the  
14 Federal Power Act.

15 “(B) ASSESSMENT.—The penalty under  
16 subparagraph (A) shall be assessed by the Com-  
17 mission in the same manner as in the case of  
18 a violation referred to in section 316A(b) of  
19 that Act.

20 “(4) JUDICIAL REVIEW.—

21 “(A) IN GENERAL.—Any person aggrieved  
22 by a final action taken by the Commission  
23 under this section, other than the assessment of  
24 a civil penalty under paragraphs (1) through  
25 (3), may use the procedures for review de-

1           scribed in section 313 of the Federal Power  
2           Act.

3           “(B) REFERENCE.—For purposes of this  
4           paragraph, references to an order in section  
5           313 of that Act shall be considered to refer also  
6           to all other final actions of the Commission  
7           under this section other than the assessment of  
8           a civil penalty under paragraphs (1) through  
9           (3).

10          “(i) ADMINISTRATION.—Nothing in this section—

11           “(1) diminishes or qualifies any authority of a  
12          State, a political subdivision of a State, or an Indian  
13          Tribe—

14           “(A) to adopt or enforce any law or regula-  
15          tion respecting renewable electricity, including  
16          any law or regulation establishing requirements  
17          that are more stringent than those established  
18          by this section, provided that no such law or  
19          regulation may relieve any person of any re-  
20          quirement otherwise applicable under this sec-  
21          tion; or

22           “(B) to regulate the acquisition and dis-  
23          position of Federal renewable electricity credits  
24          by retail electricity suppliers within the jurisdic-  
25          tion of the State, political subdivision, or Indian

1 Tribe, including the authority to require the re-  
2 tail electricity supplier to acquire and submit to  
3 the Commission for retirement Federal renew-  
4 able electricity credits in excess of those sub-  
5 mitted under this section; or

6 “(2) affects the application of or the responsi-  
7 bility for compliance with any other provision of law  
8 or regulation.”.

9 **SEC. 3. CLARIFYING STATE AUTHORITY TO ADOPT RENEW-**  
10 **ABLE ENERGY INCENTIVES.**

11 Section 210 of the Public Utility Regulatory Policies  
12 Act of 1978 (16 U.S.C. 824a–3) is amended by adding  
13 at the end the following:

14 “(o) CLARIFICATION OF STATE AUTHORITY TO  
15 ADOPT RENEWABLE ENERGY INCENTIVES.—

16 “(1) DEFINITION OF STATE-APPROVED PRO-  
17 Duction Incentive Program.—In this subsection,  
18 the term ‘State-approved production incentive pro-  
19 gram’ means a requirement imposed pursuant to  
20 State law or by a State regulatory authority acting  
21 within its authority under State law that an electric  
22 utility purchase renewable energy (as defined in sec-  
23 tion 609(a)) at a specified rate.

24 “(2) STATE AUTHORITY TO ADOPT RENEWABLE  
25 ENERGY INCENTIVES.—Notwithstanding any other

1 provision of this Act or the Federal Power Act, a  
2 State law or State regulatory authority may set the  
3 rates for a sale of electricity by a facility generating  
4 renewable energy (as defined in section 609(a)) pur-  
5 suant to a State-approved production incentive pro-  
6 gram under which the facility voluntarily partici-  
7 pates in the State-approved production incentive  
8 program.”.

9 **SEC. 4. CONFORMING AMENDMENT.**

10 The table of contents of the Public Utility Regulatory  
11 Policies Act of 1978 (16 U.S.C. prec. 2601) is amended  
12 by adding at the end of the items relating to title VI the  
13 following:

“Sec. 609. Rural and remote communities electrification grants.

“Sec. 610. Federal renewable electricity standard.”.