TITLE XII—STACK SUSTAINABILITY

SEC. 1201. FINDINGS AND PURPOSE.

(a) Findings.—Congress finds that—

(1) The Preamble to the Constitution of the United States establishes a constitutional duty for the people of the United States to secure the blessings of liberty to ourselves and our posterity.

(2) The posterity of the United States includes America's children, grandchildren, and generations not yet born. Those future generations are set to inherit the consequences of choices made by the United States today.

(3) The United States has too often permitted pollution, waste, monopoly power, and short-term extraction to shift costs onto children, communities, ratepayers, taxpayers, and future generations.

(4) Plastic pollution, microplastics, perfluoroalkyl and polyfluoroalkyl substances, methane waste emissions, carbon pollution, contaminated water, degraded ecosystems, and other persistent harms threaten public health and the inheritance of future generations.

(5) The electric grid of the United States is aging, congested, and insufficiently prepared for the scale of electrification, renewable generation, extreme weather, and industrial modernization required in the coming decades. Electrification presents an opportunity to lower household costs, reduce pollution, improve public health, strengthen energy independence, and build a cleaner and more resilient economy.

(6) Utility customers are frequently burdened by monopoly returns, political expenses, lobbying costs, investor-relations costs, luxury executive expenses, or other non-service costs that frequently fail to provide reliable and affordable utility service.

(7) Public lands, coastal ecosystems, working waterfronts, fisheries, rivers, watersheds, and water supplies are public inheritance systems. They should be managed for long-term public benefit rather than short-term extraction or neglect.

(8) Research funded by and through the people of the United States should produce public benefit, broad access, domestic capacity, competition, affordability, and practical application for the public good.

(9) Sustainability requires not scarcity or retreat, but the disciplined use of American ingenuity, public investment, fair markets, and responsible stewardship to build systems that can endure.

(b) Purpose.—The purpose of this title is to align public policy with the constitutional duty to leave the United States cleaner, healthier, more resilient, and more abundant than it was when inherited, by stacking sustainability.

SEC. 1202. RESIDUAL RISK REVIEW CLARIFICATION.

Section 112(f)(2) of the Clean Air Act (42 U.S.C. 7412(f)(2)) is amended by inserting after the final sentence the following: "The Administrator shall conduct additional residual risk assessments at reasonable intervals thereafter, including whenever updated data indicate that emissions from a source category may result in risks exceeding the acceptable risk levels applied by the Administrator under this subsection."

SEC. 1203. COASTAL VESSEL FUEL TRANSITION AND ECOSYSTEM RESILIENCE.

(a) Transition to alternative fuel commercial fishing vessels.—

(1) Definitions.—In this subsection:

(A) Administrator.—The term "Administrator" means the Administrator of the National Oceanic and Atmospheric Administration.

(B) Alternative fuel commercial fishing vessel.—The term "alternative fuel commercial fishing vessel" means a commercial fishing vessel that runs on an energy source other than an energy source that is exclusively derived from petroleum, including a hybrid energy source.

(C) Commercial fishing vessel.—The term "commercial fishing vessel" has the meaning given the term "fishing vessel" in section 2101 of title 46, United States Code.

(D) Necessary shoreside infrastructure.—The term "necessary shoreside infrastructure" means shoreside infrastructure necessary to facilitate the transition of commercial fishing vessels to alternative fuel commercial fishing vessels, including charging stations for electric alternative fuel commercial fishing vessels and refueling stations for alternative fuel commercial fishing vessels.

(E) Pilot program.—The term "pilot program" means the pilot program established under paragraph (2)(A).

(2) Pilot program.—

(A) Establishment.—Not later than 1 year after the date of enactment of this Act, the Administrator, in consultation with the Commandant of the Coast Guard, shall establish a pilot program to facilitate the transition of United States-flagged commercial fishing vessels to alternative fuel commercial fishing vessels.

(B) Use of funds.—In carrying out the pilot program, the Administrator may make loans—

(i) to facilitate the transition from commercial fishing vessels using energy sources exclusively derived from petroleum to alternative fuel commercial fishing vessels, including loans for the building of new alternative fuel commercial fishing

vessels or retrofitting existing commercial fishing vessels into alternative fuel commercial fishing vessels; and

(ii) for research and development of alternative fuel technologies for commercial fishing vessels and necessary shoreside infrastructure.

(C) Regulations.—Not later than 180 days after the date of enactment of this Act, the Administrator and the Commandant of the Coast Guard shall each promulgate regulations necessary for the implementation of the pilot program.

(3) Study.—Not later than 2 years after the date of enactment of this Act, the Administrator, jointly with the Commandant of the Coast Guard, shall carry out, and submit to Congress a report describing the results of, a study on—

(A) methods to further develop alternative fuels for use with commercial fishing vessels;

(B) how to improve existing alternative fuel technologies in commercial fishing vessels;

(C) the fuel sources available for commercial fishing vessels, and the limitations of those fuel sources; and

(D) opportunities for the use of hybrid technologies in commercial fishing vessels.

(4) Authorizations of appropriations.—

(A) In general.—There is authorized to be appropriated to the Administrator $20,000,000 for each of fiscal years 2026 through 2030 to carry out paragraph (2).

(B) Allocation of funding.—Of the amounts made available under subparagraph (A) for each fiscal year—

(i) not less than $10,000,000 shall be used to make loans described in paragraph (2)(B)(i); and

(ii) not less than $10,000,000 shall be used to make loans described in paragraph (2)(B)(ii).

(b) Vegetated coastal ecosystems and Great Lakes ecosystems.—

(1) Definitions.—In this subsection:

(A) Administrator.—The term "Administrator" means the Under Secretary of Commerce for Oceans and Atmosphere in the Under Secretary's capacity as the Administrator of the National Oceanic and Atmospheric Administration.

(B) Indian Tribe.—The term "Indian Tribe" has the meaning given that term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(C) Interagency Working Group.—The term "Interagency Working Group" means the Interagency Working Group on Vegetated Coastal Ecosystems and Great Lakes Ecosystems established under paragraph (2)(A).

(D) Natural infrastructure.—The term "natural infrastructure" has the meaning given that term in section 101(a) of title 23, United States Code.

(E) Nonprofit organization.—The term "nonprofit organization" means an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of that Code.

(F) State.—The term "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States, and any other territory or possession of the United States.

(G) Vegetated coastal ecosystems.—The term "vegetated coastal ecosystems" includes mangroves, tidal marshes, seagrasses, kelp forests, and other tidal, freshwater, or salt-water wetlands.

(2) Interagency Working Group on vegetated coastal ecosystems and Great Lakes ecosystems.—

(A) Establishment.—The Subcommittee on Ocean Science and Technology of the National Science and Technology Council shall establish an interagency working group to be known as the "Interagency Working Group on Vegetated Coastal Ecosystems and Great Lakes Ecosystems".

(B) Membership.—The Interagency Working Group shall be comprised of the Ocean Policy Committee established by section 8932 of title 10, United States Code.

(C) Chairperson.—The Interagency Working Group shall be chaired by the Administrator.

(D) Responsibilities.—The Administrator, in consultation with the Interagency Working Group, shall produce, update, maintain, and use a map and inventory of vegetated coastal ecosystems and Great Lakes ecosystems as described in paragraph (3).

(3) National-level map and inventory of vegetated coastal ecosystems and Great Lakes ecosystems.—

(A) In general.—The Interagency Working Group shall produce, update, and maintain a national-level map and inventory of vegetated coastal and Great Lakes ecosystems that includes—

(i) the types of habitats and the species in such ecosystems;

(ii) the condition of such ecosystems, including whether an ecosystem is degraded, drained, eutrophic, or tidally restricted;

(iii) the type of public or private ownership and any protected status of such ecosystems;

(iv) the size of such ecosystems;

(v) the salinity boundaries of such ecosystems;

(vi) the tidal boundaries of such ecosystems;

(vii) an assessment of carbon sequestration potential, methane production, and net greenhouse gas reductions with respect to such ecosystems, including consideration of—

(I) quantification;

(II) verifiability;

(III) comparison to a historical baseline as available; and

(IV) permanence of those benefits;

(viii) the potential for landward migration within such ecosystems as a result of sea level rise;

(ix) any upstream restrictions of such ecosystems that are detrimental to the watershed process and conditions, such as dams, dikes, levees, and other water management practices;

(x) the conversion of such ecosystems to other land uses and the cause of such conversion; and

(xi) a depiction of the effects of climate change, including sea level rise, environmental stressors, and other stressors on the sequestration rate, carbon storage, and potential of such ecosystems.

(B) Data incorporation; engagement.—In carrying out subparagraph (A), the Interagency Working Group shall—

(i) incorporate, to the extent practicable, data collected—

(I) by Federal agencies, State agencies, Indian Tribes, or local agencies through research that is funded, in whole or in part, by the Federal Government; and

(II) through peer-reviewed published works; and

(ii) engage regional experts, State agencies, Indian Tribes, and additional data and information resources in order to accurately account for regional differences in vegetated coastal ecosystems and Great Lakes ecosystems.

(C) Use of map and inventory.—The Interagency Working Group shall use the national-level map and inventory produced under subparagraph (A)—

(i) to assess the carbon sequestration potential of different vegetated coastal ecosystems and Great Lakes ecosystems and account for any regional differences;

(ii) to assess and quantify emissions from degraded and destroyed vegetated coastal ecosystems and Great Lakes ecosystems;

(iii) to develop regional assessments in partnership with, or to provide technical assistance to—

(I) regional, State, and local government agencies;

(II) Indian Tribes; and

(III) regional coastal observing systems, as defined in section 12303(6) of the Integrated Coastal and Ocean Observation System Act of 2009 (33 U.S.C. 3602(6));

(iv) to assess degraded vegetated coastal ecosystems and Great Lakes ecosystems and the potential for restoration of such ecosystems, including developing scenario modeling to identify vulnerable land areas and living shorelines where management, conservation, and restoration efforts should be focused;

(v) to produce predictions relating to carbon sequestration rates in the context of climate change, environmental stressors, and other stressors;

(vi) to inform how and where coastal vegetation can serve as natural infrastructure to most effectively protect coastlines from storm surges and climate hazards; and

(vii) to further understand which types of coastal and Great Lakes vegetation can be used as natural infrastructure to protect coastlines in different climates, especially cold climates, including the Arctic region.

(4) Grants for pilot projects and research on coastal natural infrastructure in cold climates.—

(A) In general.—During fiscal years 2026 and 2027, the Administrator shall award grants through the national sea grant college program, on a competitive basis, to eligible entities to support—

(i) the implementation of coastal natural infrastructure pilot projects in cold climates, including the Arctic region of the United States, that will protect the

coastline from storm surges, hazards caused by climate change, erosion, and permafrost melt; and

(ii) research on how effective coastal natural infrastructure projects can be in protecting coastlines in cold climates, including the Arctic region.

(B) Eligibility.—To be eligible to receive a grant under subparagraph (A), an entity shall be—

(i) a State or local government;

(ii) an Indian Tribe;

(iii) an academic institution;

(iv) a nonprofit organization; or

(v) a combination of entities described in clauses (i) through (iv).

(C) Authorization of appropriations.—There is authorized to be appropriated to carry out this paragraph $3,000,000 for each of fiscal years 2026 and 2027.

(D) National sea grant college program defined.—In this paragraph, the term "national sea grant college program" means the national sea grant college program maintained under section 204 of the National Sea Grant College Program Act (33 U.S.C. 1123).

(c) Ocean acidification.—

(1) Definitions in Federal Ocean Acidification Research and Monitoring Act of 2009.—Section 12403 of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3702) is amended—

(A) by striking paragraph (4);

(B) by redesignating paragraphs (2), (3), and (5) as paragraphs (4), (5), and (6), respectively;

(C) by inserting after paragraph (1) the following:

"(2) Indian Tribe.—The term 'Indian Tribe' has the meaning given that term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

"(3) Community-based coastal resource organization.—The term 'community-based coastal resource organization' means a nonprofit organization, fishing or seafood cooperative, community acidification network, coastal resource management organization, working waterfront organization, or other community-based organization with experience in coastal resource stewardship, coastal adaptation, fisheries, aquaculture, seafood infrastructure, ocean acidification, coastal acidification, or coastal ecosystem resilience.";

(D) in paragraph (4), as redesignated by subparagraph (B), by inserting "an increase of" before "carbon dioxide"; and

(E) by adding at the end the following:

"(7) Subcommittee.—The term 'Subcommittee' means the National Science and Technology Council Subcommittee on Ocean Science and Technology.

"(8) United States.—The term 'United States' means the States, collectively.".

(2) Improvement of collaboration on ocean acidification.—

(A) Ongoing input mechanism.—Section 12404(c)(2) of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3703(c)(2)) is amended—

(i) in subparagraph (B), by striking "; and" and inserting a semicolon;

(ii) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(D) establish an ongoing mechanism, such as a liaison or other contact of the National Oceanic and Atmospheric Administration, standing meetings, or an online platform, to engage affected industry members, coastal stakeholders, community acidification networks, fishery management councils and commissions, Indian Tribes, Tribal organizations, Tribal consortia, community-based coastal resource organizations, non-Federal resource managers, and scientific experts not employed by the Federal Government to provide input on research, data, and monitoring that is necessary to support on-the-ground management, decision making, and adaptation related to ocean acidification and coastal acidification and the impacts of ocean acidification and coastal acidification.".

(B) Advisory board membership.—Section 12404(c)(3) of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3703(c)(3)) is amended—

(i) by redesignating subparagraphs (G) through (Q) as subparagraphs (H) through (R), respectively;

(ii) by inserting after subparagraph (F) the following:

"(G) 2 representatives from Indian Tribes, Tribal organizations, Tribal consortia, or community-based coastal resource organizations affected by ocean acidification and coastal acidification."; and

(iii) in subparagraph (H), as redesignated by clause (i), by striking "Six" and inserting "Four".

(C) Appointment of advisory board members.—Section 12404(c)(4)(C) of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3703(c)(4)(C)) is amended by inserting "Indian Tribes and community-based coastal resource organizations," after "managers,".

(D) Engagement and coordination with Indian Tribes and community-based coastal resource organizations.—Paragraph (9) of section 12404(c) of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3703(c)) is amended to read as follows:

"(9) Engagement and coordination with Indian Tribes and community-based coastal resource organizations.—

"(A) Policy required.—Not later than 1 year after the date on which the Advisory Board is established, the Advisory Board shall develop and commence maintaining a policy for engagement and coordination with Indian Tribes and community-based coastal resource organizations affected by ocean acidification and coastal acidification.

"(B) Consultation.—In developing the policy under subparagraph (A), the Advisory Board shall consult with Indian Tribes and community-based coastal resource organizations affected by ocean acidification and coastal acidification.".

(E) Collaboration on vulnerability assessments, research planning, and similar activities.—Section 12404(e)(4)(A) of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3703(e)(4)(A)) is amended—

(i) by redesignating clauses (ix) and (x) as clauses (x) and (xi), respectively; and

(ii) by inserting after clause (viii) the following:

"(ix) identifies the efforts of the Secretary to collaborate with State and local governments, Indian Tribes, and community-based coastal resource organizations on community vulnerability assessments, research planning, and similar activities, pursuant to section 12406(e);".

(F) Contents of strategic research plan.—Section 12405(b) of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3704(b)) is amended—

(i) in paragraph (10), by striking "section 12404(c)(4)" and inserting "section 12404(e)(4)"; and

(ii) in paragraph (11), by striking "potentially affected industry members, coastal stakeholders, fishery management councils and commissions, Tribal governments, non-Federal resource managers, and scientific experts" and inserting "affected industry members, coastal stakeholders, community acidification networks, fishery management councils and commissions, Indian Tribes, community-based coastal resource organizations, non-Federal resource managers, and scientific experts not employed by the Federal Government".

(G) Improving collaboration on NOAA ocean acidification activities.—Section 12406 of the Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3705) is amended—

(i) in subsection (a)—

(I) in paragraph (1)—

(aa) in subparagraph (D), by adding a semicolon at the end; and

(bb) in subparagraph (F), by striking "Tribal governments" and inserting "Indian Tribes and community-based coastal resource organizations";

(II) in paragraph (4), by striking "industry members, coastal stakeholders, fishery management councils and commissions, non-Federal resource managers, community acidification networks, indigenous knowledge groups, and scientific experts" and inserting "affected industry members, coastal stakeholders, community acidification networks, fishery management councils and commissions, Indian Tribes, community-based coastal resource organizations, non-Federal resource managers, and scientific experts not employed by the Federal Government";

(ii) in subsection (c)—

(I) in paragraph (1), by striking "State, local, and Tribal governments" and inserting "State and local governments, Indian Tribes, and community-based coastal resource organizations,";

(II) in paragraph (2)—

(aa) in subparagraph (A), by striking "; or" and inserting a semicolon;

(bb) by redesignating subparagraph (B) as subparagraph (C);

(cc) by inserting after subparagraph (A) the following:

"(B) on ocean acidification and coastal acidification research, data, and monitoring from affected industry members, coastal stakeholders, community acidification networks, fishery management councils and commissions, Indian Tribes, community-based coastal resource organizations, non-Federal resource managers, and scientific experts not employed by the Federal Government; or"; and

(dd) in subparagraph (C), as redesignated by item (bb), by striking "State governments, local governments, Tribal governments" and inserting "State and local governments, Indian Tribes, and community-based coastal resource organizations";

(iii) in subsection (d)(1)(C), by striking "Tribes or Tribal governments" and inserting "Indian Tribes, Tribal organizations, Tribal consortia, and community-based coastal resource organizations"; and

(iv) by adding at the end the following:

"(e) Better collaboration on vulnerability assessments, research planning, and similar activities.—

"(1) In general.—In carrying out the program under subsection (a), and in support of vulnerability assessments transmitted under section 12404(e)(4) and recommendations included in the strategic research plan described in section 12405(b)(10), the Secretary shall build upon existing activities and collaborate with State and local governments and Indian Tribes that are conducting or have completed vulnerability assessments, research planning, climate action plans, or other similar activities related to ocean acidification and coastal acidification and the impacts of ocean acidification and coastal acidification on coastal communities, for the purpose of—

"(A) supporting collaborative interagency relationships and information sharing at the State, local, and Tribal levels; and

"(B) assisting State and local governments and Indian Tribes in—

"(i) improving existing systems and programs to better address ocean acidification and coastal acidification; and

"(ii) identifying whether such activities can be used as a model for other communities.

"(2) Indian Tribes, Tribal organizations, Tribal consortia, and community-based coastal resource organizations.—In carrying out the program under subsection (a), and in support of vulnerability assessments transmitted under section 12404(e)(4) and recommendations included in the strategic research plan described in section 12405(b)(10), the Secretary may build upon existing activities and collaborate with Indian Tribes, Tribal organizations, Tribal consortia, and community-based coastal resource organizations that are conducting or have completed vulnerability assessments, research planning, climate action plans, or other similar activities related to ocean acidification and coastal acidification and the impacts of ocean acidification and coastal acidification on coastal communities.".

(3) Technical corrections.—The Federal Ocean Acidification Research and Monitoring Act of 2009 (33 U.S.C. 3701 et seq.) is amended—

(A) in section 12402 (33 U.S.C. 3701)—

(i) in paragraph (1), by striking "development coordination and implementation" and inserting "development, coordination, and implementation"; and

(ii) in paragraph (4), by striking "research adaptation strategies and mitigating the impacts" and inserting "research on adaptation strategies and mitigation of the impacts";

(B) in section 12404 (33 U.S.C. 3703)—

(i) in subsection (b)(5), by striking "; and" and inserting a period;

(ii) in subsection (c)(2)(A)—

(I) in clause (i), by striking "subsection (d)(2)" and inserting "subsection (e)(2)"; and

(II) in clause (ii), by striking "subsection (d)(3)" and inserting "subsection (e)(3)";

(iii) in subsection (d)(3), by striking "this section" and inserting "this subsection"; and

(iv) in subsection (e)—

(I) in paragraph (2)(B), by striking "interagency" and inserting "the"; and

(II) in paragraph (3), by striking "years until 2031 thereafter" and inserting "years thereafter until 2031";

(C) in section 12406(d)(2) (33 U.S.C. 3705(d)(2)), by striking "The Secretary to," and inserting "The Secretary, to".

(d) Coastal aquatic invasive species mitigation grant program and mitigation fund.—

(1) Transfer.—

(A) In general.—Subsection (f) of section 903 of the Vessel Incidental Discharge Act of 2018 (16 U.S.C. 4729) is—

(i) transferred to section 1202 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4722);

(ii) redesignated as subsection (l) of that section 1202; and

(iii) added at the end of that section 1202.

(B) Availability of appropriations.—Paragraph (1) shall not affect the availability of amounts made available in appropriation Acts for the purpose of carrying out the program transferred by subparagraph (A) to the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4701 et seq.).

(2) Amendments.—Subsection (l) of section 1202 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4722), as transferred and redesignated under paragraph (1), is amended—

(A) in paragraph (1)—

(i) by striking subparagraph (D); and

(ii) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively;

(B) in paragraph (2)—

(i) in subparagraph (A), by striking "and the Foundation" both places the term appears;

(ii) in subparagraph (C)(i)—

(I) in subclause (I), by striking "programs, including permissible State ballast water" and inserting "programs for Federal and State agencies, territories of the United States, Tribal governments or organizations, and interstate organizations, including permissible ballast water";

(II) by striking subclause (III);

(III) by redesignating subclauses (IV) and (V) as subclauses (III) and (IV), respectively; and

(IV) in subclause (IV), as redesignated by subclause (III), by striking "infrastructure, such as hydroelectric infrastructure, from aquatic invasive species" and inserting "aquaculture and associated infrastructure from aquatic invasive species with particular emphasis on underserved communities";

(iii) in subparagraph (D), by striking "Not later than 90 days after the date of enactment of this Act, the Foundation, in consultation with the Secretary" and inserting "Not later than 90 days after the date of enactment of the POPULIST Act, the Secretary";

(iv) in subparagraph (F), by striking "and the Foundation are" and inserting "is";

(C) in paragraph (3)—

(i) by striking subparagraph (B) and inserting the following:

"(B) Authorization of appropriations.—There is authorized to be appropriated to the Fund $5,000,000 for each of fiscal years 2027 through 2031."; and

(ii) in subparagraph (C), by striking "and the Foundation".

(3) Conforming amendment.—Section 903 of the Vessel Incidental Discharge Act of 2018 (16 U.S.C. 4729), as amended by paragraph (1), is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

SEC. 1204. PUBLIC ACCESS AND RETURN ON FEDERALLY FUNDED RESEARCH.

(a) Definitions.—In this section:

(1) Exclusive license.—The term "exclusive license" means any license, assignment, option, or other agreement that grants to 1 person, or to a limited class of persons, the exclusive right to make, use, sell, offer for sale, import, distribute, sublicense, commercialize, or otherwise exploit a federally supported research product.

(2) Federal research or development support.—The term "Federal research or development support" means any grant, cooperative agreement, contract, loan, loan guarantee, prize, facility access, data access, technical assistance, in-kind contribution, or other Federal financial or technical assistance for research or development.

(3) Federally supported research product.—The term "federally supported research product" means any invention, technology, software, data set, database, model, material, process, method, device, diagnostic, drug, energy technology, environmental technology, or other product developed in whole or in substantial part with Federal research or development support.

(4) Federally supported research result.—The term "federally supported research result" means any peer-reviewed manuscript, final published article, data set, software, model, protocol, method, research tool, or other research output produced in whole or in substantial part with Federal research or development support.

(5) Funding agency.—The term "funding agency" means any Federal agency that awards, administers, funds, or otherwise supports research or development.

(6) Practical application.—The term "practical application" has the meaning given such term in section 201 of title 35, United States Code.

(7) Reasonable public access.—The term "reasonable public access" means availability to the public on reasonable terms, including reasonable price, sufficient supply, nondiscriminatory access, and terms that reflect the contribution of Federal research or development support.

(b) Policy.—Each funding agency shall administer Federal research or development support to maximize public access, public benefit, domestic production, competition, affordability, and broad diffusion of knowledge and technology developed with support from the people of the United States.

(c) Public access to research results.—

(1) In general.—Each funding agency shall require, as a condition of Federal research or development support, that federally supported research results be made publicly available in a freely accessible digital repository.

(2) Peer-reviewed manuscripts and articles.—A federally supported research result consisting of a peer-reviewed manuscript or final published article shall be made publicly available not later than the date of publication.

(3) Data and supporting materials.—A federally supported research result consisting of data, software, models, protocols, methods, or other supporting research output shall be made publicly available not later than—

(A) the date of publication of a related peer-reviewed manuscript or final published article, if the federally supported research result is necessary to validate or replicate the findings in such manuscript or article; or

(B) a reasonable date established by the funding agency, if no related peer-reviewed manuscript or final published article is published.

(4) Federal license.—Each funding agency shall require each recipient of Federal research or development support to grant to the United States a nonexclusive, irrevocable, paid-up license to make federally supported research results publicly available under this subsection.

(5) Exceptions.—A funding agency may limit public access under this subsection to the extent necessary to protect—

(A) classified information;

(B) national security;

(C) cybersecurity;

(D) trade secrets or confidential commercial information not developed with Federal research or development support;

(E) personal privacy;

(F) human subjects research protections;

(G) Tribal cultural resources, sacred sites, or sensitive Tribal information;

(H) sensitive environmental, habitat, or species-location information; or

(I) any other category of information for which withholding is required by Federal law.

(d) Fair licensing of federally supported research products.—

(1) In general.—Each funding agency shall require, as a condition of Federal research or development support, that any exclusive license for a federally supported research product include terms sufficient to protect the public interest.

(2) Required terms.—Terms required under paragraph (1) shall include—

(A) a requirement that the federally supported research product be made available to the public on reasonable terms;

(B) a requirement that the licensee make diligent efforts to achieve practical application;

(C) a requirement that the licensee avoid unreasonable pricing, unreasonable scarcity, or unreasonable restrictions on access;

(D) a requirement that the licensee report such pricing, supply, sublicensing, and commercialization information as the funding agency determines necessary to enforce this section;

(E) a reservation of rights sufficient to allow the funding agency to require additional licensing under subsection (f); and

(F) a requirement that domestic manufacturing and domestic supply chains be used to the maximum extent practicable.

(3) Preference for nonexclusive licensing.—A funding agency shall prefer nonexclusive licensing for research tools, enabling technologies, standards-essential technologies, platform technologies, and other federally supported research products for which broad access would materially advance competition, follow-on innovation, public health, environmental protection, energy affordability, or public safety.

(e) Reasonable pricing and anti-gouging.—

(1) Access plan.—Before entering into or approving an exclusive license for a federally supported research product, a funding agency shall require the licensee to submit a public access and reasonable pricing plan.

(2) Contents.—A plan required under paragraph (1) shall describe—

(A) the Federal research or development support used to develop the federally supported research product;

(B) the expected public uses and public benefits of the federally supported research product;

(C) the expected price, pricing methodology, and supply plan for the federally supported research product;

(D) any expected sublicensing terms;

(E) any expected domestic manufacturing or domestic supply-chain commitments; and

(F) any measures necessary to ensure reasonable public access.

(3) Determination.—A funding agency may determine that a price, licensing term, supply practice, or commercialization practice is unreasonable after considering—

(A) the amount and importance of Federal research or development support;

(B) the cost of development, manufacturing, distribution, and regulatory compliance;

(C) the price charged to the Federal Government, State governments, consumers, researchers, small businesses, hospitals, schools, public utilities, or other affected users;

(D) the price charged in comparable foreign markets;

(E) the availability of competing products or substitute technologies;

(F) the need to permit a reasonable return on private investment not supplied by the Federal Government; and

(G) the effect of the price, term, or practice on public health, environmental protection, energy affordability, competition, public safety, or broad public access.

(f) Public interest rights.—

(1) In general.—If a funding agency determines that a recipient of Federal research or development support, contractor, assignee, or licensee has failed to provide reasonable public access to a federally supported research product, the funding agency may take 1 or more of the actions described in paragraph (2).

(2) Actions.—A funding agency may—

(A) require corrective action;

(B) require additional public reporting;

(C) require nonexclusive, partially exclusive, or exclusive licensing to responsible applicants on reasonable terms;

(D) modify or terminate an exclusive license issued by the funding agency;

(E) require sublicensing as a condition of continued Federal support;

(F) exercise march-in rights under section 203 of title 35, United States Code, if applicable;

(G) deny, suspend, or condition future Federal research or development support; or

(H) refer the matter to the Federal Trade Commission, the Attorney General, or another appropriate Federal or State enforcement authority.

(3) Procedures.—Before taking an action under paragraph (2), a funding agency shall provide notice and an opportunity to cure, except where the funding agency determines that immediate action is necessary to protect public health, safety, national security, energy reliability, environmental protection, or substantial public resources.

(g) Relation to Bayh-Dole Act.—

(1) Additional protections.—The rights, conditions, and authorities established by this section are in addition to the rights of the United States under chapter 18 of title 35, United States Code.

(2) No limitation.—Nothing in this section shall be construed to limit the authority of a Federal agency to exercise march-in rights under section 203 of title 35, United States Code, require preference for United States industry under section 204 of title 35, United States Code, or impose public-interest conditions under any other provision of law.

(h) Regulations.—Not later than 1 year after the date of enactment of this Act, the Director of the Office of Science and Technology Policy, in consultation with the Director of the Office of Management and Budget, the Secretary of Commerce, the Secretary of Energy, the Secretary of Health and Human Services, the Director of the National Science Foundation, the Administrator of the Environmental Protection Agency, and the heads of other funding agencies, shall issue guidance and model funding-agreement terms to carry out this section.

SEC. 1205. PLASTIC POLLUTION AND MICROPLASTICS CONTROL.

(a) Definitions.—In this section:

(1) Administrator.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) Plastic facility.—The term "plastic facility" means a facility that—

(A) manufactures, processes, handles, stores, or transports plastic feedstock;

(B) manufactures ethylene, propylene, or another petrochemical feedstock for conversion into plastic feedstock;

(C) manufactures, processes, or produces any plastic polymer, monomer, resin, or preproduction plastic material;

(D) depolymerizes, chemically recycles, pyrolyzes, gasifies, combusts, or otherwise chemically breaks down plastic polymers; or

(E) expands the production capacity, storage capacity, or preproduction plastic material handling capacity of a facility described in subparagraphs (A) through (D).

(3) Plastic feedstock.—The term "plastic feedstock" means ethylene, propylene, and raw plastic material in any form, including pellets, resin, nurdles, powder, flakes, and any plastic polymer identified by the Administrator.

(4) Preproduction plastic material.—The term "preproduction plastic material" means plastic resin, plastic pellets, nurdles, powders, flakes, powdered coloring for plastics, or any other plastic material intended for use in manufacturing, compounding, packaging, transporting, or processing plastic products.

(5) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(6) Temporary pause period.—The term "temporary pause period" means the period—

(A) beginning on July 4, 2026; and

(B) ending on the date on which the Administrator certifies that the final rules required under subsection (c) are in effect.

(b) Temporary pause on new and expanded plastic facilities.—

(1) In general.—During the temporary pause period, the Administrator may not issue, and may not approve a State or local permitting authority to issue, any new permit, renewed permit, modified permit, or other authorization under the Clean Air Act (42 U.S.C. 7401 et seq.) or the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) that would authorize the construction of a new plastic facility or the expansion of production capacity, storage capacity, or preproduction plastic material handling capacity at an existing plastic facility.

(2) Section 404 permits.—During the temporary pause period, the Secretary of the Army, acting through the Chief of Engineers, may not issue any permit under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) for the construction of a new plastic facility or the expansion of production capacity, storage capacity, or preproduction plastic material handling capacity at an existing plastic facility.

(3) State permits.—During the temporary pause period, the Administrator shall object to any State-issued permit described in paragraph (1) if the permit would authorize the construction of a new plastic facility or the expansion of production capacity, storage capacity, or preproduction plastic material handling capacity at an existing plastic facility.

(4) Exceptions.—This subsection shall not apply to—

(A) a material recovery facility;

(B) a mechanical recycling facility;

(C) a compost facility;

(D) a repair, maintenance, monitoring, remediation, pollution-control, or safety project that does not increase production capacity, storage capacity, or preproduction plastic material handling capacity; or

(E) a modification that the Administrator determines is necessary to prevent or reduce emissions, discharges, releases, spills, fires, explosions, or other hazards.

(c) Air, water, and fenceline protections for plastic facilities.—

(1) Rulemaking.—Not later than January 1, 2029, the Administrator shall promulgate final rules under the Clean Air Act (42 U.S.C. 7401 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), and any other applicable Federal environmental law to reduce emissions, discharges, releases, and cumulative impacts from plastic facilities.

(2) Requirements.—The rules promulgated under paragraph (1) shall include—

(A) requirements for fenceline monitoring and public reporting of air pollutants, water pollutants, preproduction plastic materials, and other hazardous releases from plastic facilities;

(B) enforceable limits on emissions, discharges, leaks, spills, and releases of pollutants and preproduction plastic materials;

(C) requirements for cumulative-impact analysis before issuance, renewal, or modification of a permit for a plastic facility;

(D) requirements for financial assurance sufficient to remediate spills, releases, contamination, and closure obligations;

(E) requirements for emergency response planning, public notice, and community notification for releases, fires, explosions, and other incidents;

(F) requirements to prevent discharge of preproduction plastic materials into wastewater, stormwater, drainage systems, runoff, or waters of the United States; and

(G) requirements to protect schools, residences, daycare centers, nursing homes, hospitals, parks, playgrounds, community centers, drinking water sources, and other sensitive community locations from the cumulative impacts of plastic facilities.

(3) No end of pause before rules are effective.—The temporary pause period may not end until the rules required under paragraph (1) are in effect.

(d) Microplastics research and mitigation.—

(1) Food and beverage study.—Not later than 2 years after the date of enactment of this Act, the Commissioner of Food and Drugs, in consultation with the Administrator, shall conduct and submit to Congress a study on—

(A) the presence of microplastics and nanoplastics in food, beverages, drinking water, food-contact materials, and food packaging;

(B) the sources and pathways through which microplastics and nanoplastics enter food, beverages, drinking water, food-contact materials, and food packaging;

(C) potential human exposure to microplastics and nanoplastics through ingestion and inhalation; and

(D) recommendations for reducing microplastics and nanoplastics in food, beverages, drinking water, food-contact materials, and food packaging.

(2) Environmental Protection Agency pilot program.—

(A) Establishment.—Not later than 1 year after the date of enactment of this Act, the Administrator shall establish a pilot program to test, evaluate, and deploy technologies and practices to prevent, capture, remove, or reduce microplastics and nanoplastics in wastewater, stormwater, drinking water, surface water, sediment, and industrial discharges.

(B) Priority.—In carrying out the pilot program under subparagraph (A), the Administrator shall prioritize projects that—

(i) reduce microplastics and nanoplastics near plastic facilities, wastewater treatment plants, stormwater outfalls, ports, rail transfer facilities, and other likely release points;

(ii) can be implemented by public water systems, publicly owned treatment works, local governments, Indian Tribes, or regional water authorities; and

(iii) generate data that can be used to develop best practices or regulatory standards.

(3) National Institutes of Health research.—The Director of the National Institutes of Health shall support research on human exposure to microplastics and nanoplastics, including research on—

(A) the presence of microplastics and nanoplastics in human tissue, organs, blood, urine, breastmilk, stool, and other biospecimens;

(B) the effects of microplastics and nanoplastics on reproductive health, fetal development, child development, immune function, endocrine function, cardiovascular health, neurological health, and cancer risk;

(C) the role of additives, absorbed pollutants, and degradation products associated with microplastics and nanoplastics; and

(D) methods to reduce human exposure to microplastics and nanoplastics.

(e) Reducing single-use plastics in agriculture.—

(1) Conservation practice.—For purposes of programs administered by the Secretary through the Natural Resources Conservation Service, including the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.), the replacement of plastic weed barriers, plastic mulch, plastic weed mitigants, or other single-use on-farm plastic materials with nonplastic, reusable, or biodegradable alternatives shall be treated as an eligible conservation practice.

(2) Grant program.—

(A) Establishment.—The Secretary shall establish a grant program to support producers, producer cooperatives, agricultural associations, and other eligible agricultural entities in reducing or eliminating single-use plastics from post-production distribution packaging.

(B) Uses.—A grant under this paragraph may be used for—

(i) replacing plastic clamshells, bags, liners, trays, wraps, pallet wraps, cushioning, containers, labels, or other single-use post-production distribution packaging with nonplastic, reusable, recyclable, compostable, or biodegradable alternatives;

(ii) purchasing equipment necessary to package, aggregate, store, transport, or distribute agricultural products without single-use plastics;

(iii) redesigning distribution practices to reduce single-use plastic packaging;

(iv) testing and verifying the performance of alternatives to single-use plastic packaging; and

(v) providing technical assistance to producers seeking to reduce single-use plastic packaging.

(C) Amount and term.—A grant under this paragraph may not exceed $250,000 and may be made for a period of not more than 3 years.

(D) Priority.—In awarding grants under this paragraph, the Secretary shall give priority to applications that—

(i) achieve the greatest measurable reduction in single-use plastic packaging per dollar of Federal assistance;

(ii) are submitted by a beginning farmer or rancher;

(iii) support organic or regenerative agricultural production;

(iv) are submitted by a producer cooperative or other aggregation of small or midsized producers; or

(v) create a replicable model for reducing single-use plastic packaging in regional food systems.

(E) Authorization of appropriations.—There is authorized to be appropriated to carry out this paragraph $25,000,000 for each of fiscal years 2027 through 2031.

(f) Plastic pellet-free waters.—

(1) Prohibition.—Beginning on July 4, 2026, no person may discharge, spill, release, or allow the discharge, spill, or release of plastic pellets or other preproduction plastic material—

(A) into waters of the United States;

(B) into wastewater, stormwater, runoff, drainage systems, or other conveyances that discharge or may reasonably be expected to discharge into waters of the United States; or

(C) from any plastic facility, point source, transportation facility, packaging facility, transfer facility, port, rail facility, warehouse, or other facility that makes, uses, packages, stores, transports, or handles plastic pellets or other preproduction plastic material.

(2) Permit requirements.—The Administrator shall require each permit issued under section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342), and each other applicable Federal permit for a facility described in paragraph (1)(C), to include requirements sufficient to achieve zero discharge of plastic pellets and other preproduction plastic material.

(3) Interim final rule.—Not later than 60 days after the date of enactment of this Act, the Administrator shall issue an interim final rule to implement this subsection.

(4) Final rule.—Not later than 2 years after the date of enactment of this Act, the Administrator shall, after notice and opportunity for public comment, issue a final rule to implement this subsection.

(5) Minimum requirements.—The rules issued under paragraphs (3) and (4) shall include—

(A) best management practices for preventing the discharge, spill, or release of plastic pellets and other preproduction plastic material;

(B) containment, capture, filtration, inspection, housekeeping, loading, unloading, storage, packaging, transportation, and stormwater-control requirements;

(C) monitoring, recordkeeping, reporting, and public-disclosure requirements;

(D) requirements for prompt reporting and cleanup of any discharge, spill, or release;

(E) requirements for employee training and written spill-prevention plans; and

(F) requirements for third-party transporters, packagers, warehouses, ports, rail facilities, and transfer facilities that handle plastic pellets or other preproduction plastic material.

(g) Enforcement.—

(1) Clean Water Act enforcement.—A violation of subsection (f) or a rule issued under subsection (f) shall be treated as a violation of section 301 of the Federal Water Pollution Control Act (33 U.S.C. 1311) and shall be subject to enforcement under sections 309 and 505 of that Act (33 U.S.C. 1319, 1365).

(2) Minimum civil penalties.—In addition to any penalty otherwise authorized by law, any person that violates subsection (f) shall be subject to a civil penalty of not less than $5,000 for each day on which the violation occurs.

(3) Failure to report or remediate.—In addition to any penalty otherwise authorized by law, any person that knowingly fails to report or remediate a discharge, spill, or release of plastic pellets or other preproduction plastic material shall be subject to a civil penalty of not less than $25,000 for each day on which the failure continues.

(4) Untaxed released resin.—If plastic pellets or other preproduction plastic material released in violation of subsection (f) have not been subject to the tax imposed under section 1243, the person responsible for the release shall be subject to an additional civil penalty equal to 10 times the tax that would have been imposed if the released material had been sold on the date of release or July 1, 2027, whichever is later.

SEC. 1206. DATA CENTER WATER ACCOUNTABILITY TAX.

(a) Data center water accountability tax.—

(1) In general.—Chapter 38 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subchapter:

"SUBCHAPTER E—DATA CENTER WATER ACCOUNTABILITY TAX

"SEC. 4683. Data center water accountability tax.

"Sec. 4683. Data center water accountability tax.

"(a) Definitions.—In this section:

"(1) Administrator.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(2) Alternative nonpotable water source.—The term 'alternative nonpotable water source' means reclaimed wastewater, captured stormwater, industrial reuse water,

graywater, brackish water, seawater, produced water, or another source of water that is not potable water, groundwater, or surface freshwater.

"(3) Captured stormwater.—The term 'captured stormwater' means precipitation or storm runoff that is collected, stored, and used for cooling, humidification, or other data center operations without first being treated as potable water.

"(4) Chargeable water use.—The term 'chargeable water use' means—

"(A) with respect to potable water or groundwater, the total amount of such water withdrawn, purchased, received, or otherwise used by a data center, reduced only by the metered amount of such water returned directly to the public water system or reinjected into the same aquifer in compliance with applicable water quality requirements;

"(B) with respect to surface freshwater, the total amount of such water withdrawn, purchased, received, or otherwise used by a data center, reduced by the metered amount of such water returned to the same source or watershed in a condition that is substantially equivalent in quality and temperature; and

"(C) with respect to an alternative nonpotable water source, the total amount of such water withdrawn, purchased, received, or otherwise used by a data center, reduced by the metered amount of such water transferred for further nonpotable reuse or returned for further nonpotable use in a condition that is substantially equivalent in quality.

"(5) Data center.—The term 'data center' means any facility described in section 453(a)(1) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17112(a)(1)) that—

"(A) has an actual peak electrical demand of not less than 25 megawatts;

"(B) is reasonably projected by the data center operator to have a peak electrical demand of not less than 25 megawatts; or

"(C) is part of a campus, phased development, or group of commonly controlled or commonly operated data centers that, in the aggregate, has or is reasonably projected to have a peak electrical demand of not less than 25 megawatts.

"(6) Data center operator.—The term 'data center operator' means the person with primary operational control over a data center.

"(7) Groundwater.—The term 'groundwater' means water located beneath the surface of the ground, including water withdrawn from an aquifer, well, spring, or other subsurface source.

"(8) Potable water.—The term 'potable water' means water that is treated, distributed, or otherwise made available for human consumption.

"(9) Reclaimed wastewater.—The term 'reclaimed wastewater' means municipal, industrial, or other wastewater that has been treated for reuse and is supplied for nonpotable use.

"(10) Surface freshwater.—The term 'surface freshwater' means water withdrawn from a river, stream, lake, reservoir, pond, wetland, or other surface water body, and does not include potable water, groundwater, or an alternative nonpotable water source.

"(b) Imposition of tax.—Beginning April 1, 2027, there is imposed on each data center operator a tax for each calendar month on the chargeable water use of each data center to which this section applies during such month.

"(c) Amount of tax.—The amount of the tax imposed under subsection (b) for a calendar month shall equal the sum of—

"(1) $26 for each 1,000 gallons of chargeable water use attributable to potable water or groundwater;

"(2) $18 for each 1,000 gallons of chargeable water use attributable to surface freshwater; and

"(3) $10 for each 1,000 gallons of chargeable water use attributable to an alternative nonpotable water source.

"(d) Drought and water-stress multiplier.—

"(1) In general.—The tax imposed under subsection (b) shall be increased by the applicable percentage under paragraph (2) with respect to chargeable water use by a data center located in an area classified as D1, D2, D3, or D4 by the United States Drought Monitor for any week during the calendar month for which the tax is imposed.

"(2) Applicable percentage.—The applicable percentage under paragraph (1) shall be the greatest of the following:

"(A) For a classification of D1, 50 percent.

"(B) For a classification of D2, 100 percent.

"(C) For a classification of D3, 150 percent.

"(D) For a classification of D4, 200 percent.

"(3) Additional water-stressed areas.—The Secretary of Energy, in consultation with the Administrator and the Director of the United States Geological Survey, may designate additional water-stressed areas by regulation based on groundwater depletion, surface water scarcity, public water supply constraints, aquifer stress, or other water-availability factors.

"(4) Treatment of additional water-stressed areas.—An area designated under paragraph (3) shall be treated as an area classified as D2 under the United States Drought Monitor unless the Secretary of Energy determines by regulation that conditions in such area warrant treatment as D1, D3, or D4.

"(e) Returns and payment.—

"(1) Quarterly estimated payments.—Each data center operator subject to the tax imposed under subsection (b) shall make quarterly estimated payments of such tax at such time and in such manner as the Secretary shall prescribe.

"(2) Annual reconciliation.—Each data center operator subject to the tax imposed under subsection (b) shall file an annual return reconciling quarterly estimated payments with actual chargeable water use for the calendar year.

"(3) Coordination with reporting.—The Secretary shall coordinate the timing and content of returns under this subsection with the reporting requirements under section 1206(b) of the POPULIST Act, to the maximum extent practicable.

"(f) Inflation adjustment.—For each calendar year after 2027, each dollar amount in subsection (c) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2026' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(g) Anti-evasion.—For purposes of this section, the Secretary, in consultation with the Secretary of Energy, shall treat commonly controlled, colocated, phased, affiliated, or operationally integrated data centers as a single data center if such treatment is necessary to prevent evasion of the threshold under subsection (a)(5).

"(h) Regulations.—The Secretary shall issue such regulations or other guidance as are necessary to carry out this section.".

(2) Clerical amendment.—The table of subchapters for chapter 38 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"SUBCHAPTER E. DATA CENTER WATER ACCOUNTABILITY TAX".

(b) Reporting.—

(1) Definitions.—In this subsection:

(A) Terms defined in Internal Revenue Code.—The terms "alternative nonpotable water source", "chargeable water use", "data center", "data center operator", "groundwater", "potable water", "reclaimed wastewater", and "surface freshwater" have the meanings given such terms in section 4683 of the Internal Revenue Code of 1986.

(B) Water usage effectiveness.—The term "water usage effectiveness" means the ratio of annual site water use to annual information technology equipment energy use, expressed in liters per kilowatt-hour, as determined under ISO/IEC 30134-9:2022 or any successor standard recognized by the Secretary of Energy.

(2) Annual report.—Beginning April 1, 2027, each data center operator subject to section 4683 of the Internal Revenue Code of 1986 shall submit an annual report to the Secretary of Energy, the Administrator of the Environmental Protection Agency, the Secretary of the Treasury, and each State in which the data center is located.

(3) Contents.—Each report under paragraph (2) shall include, for each month of the preceding calendar year—

(A) total electricity use;

(B) peak electrical demand;

(C) total water withdrawn, purchased, received, or otherwise used;

(D) total water use by source category, including potable water, groundwater, surface freshwater, and alternative nonpotable water sources;

(E) chargeable water use by source category;

(F) water returned, reinjected, discharged, or transferred for further nonpotable reuse, by source category;

(G) water usage effectiveness;

(H) the cooling technology or technologies used at the data center, including whether waste heat is recovered or made available for district heating, domestic hot water, industrial process heat, greenhouse agriculture, or another productive thermal use; and

(I) such other information as the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of the Treasury, determines necessary to carry out this section and section 4683 of the Internal Revenue Code of 1986.

(4) Transition rule.—For the annual report due on April 1, 2027, the report shall include only calendar months beginning more than 60 days after the date of enactment of this Act.

(c) State and local access; public reporting.—

(1) Governmental access to reports.—The Secretary of Energy shall make reports submitted under subsection (b) available to any State, Indian Tribe, local government, public utility, water provider, water district, or regional water authority with jurisdiction over the siting, permitting, water supply, wastewater service, or electric service of the data center.

(2) Public reports.—The Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Agriculture, shall publish on the

Department of Energy website annual reports, both regional and national, summarizing water and energy use by data centers.

(3) Aggregation.—Public reports under paragraph (2) may aggregate data to protect confidential business information, except that nothing in this paragraph shall authorize withholding from the public the identity, location, peak electrical demand, total annual water withdrawn, purchased, received, or otherwise used, total annual chargeable water use, or water source categories of a data center subject to this section.

(d) Data Center Water Resilience Fund.—

(1) Establishment.—There is established in the Treasury of the United States a fund to be known as the "Data Center Water Resilience Fund".

(2) Deposits.—There are appropriated to the Fund, out of amounts in the Treasury not otherwise appropriated, amounts equivalent to the revenues received in the Treasury from the tax imposed under section 4683 of the Internal Revenue Code of 1986.

(3) Availability.—Amounts deposited into the Fund shall be available without further appropriation to carry out this subsection.

(4) Distribution.—For each fiscal year, amounts in the Fund shall be distributed as follows:

(A) 50 percent shall be made available to the affected water provider, water district, Tribal water authority, or regional water authority serving the data center or watershed from which water is withdrawn.

(B) 25 percent shall be made available to the State in which the data center is located for water conservation, reclaimed water infrastructure, groundwater recharge, leak reduction, watershed restoration, or drought resilience.

(C) 25 percent shall remain available to the Secretary of the Treasury, the Secretary of Energy, the Administrator of the Environmental Protection Agency, and the Secretary of Agriculture to administer and enforce this section and section 4683 of the Internal Revenue Code of 1986.

(e) Administration and enforcement coordination.—

(1) Tax administration.—The Secretary of the Treasury shall administer and collect the tax imposed under section 4683 of the Internal Revenue Code of 1986.

(2) Measurement and reporting rules.—The Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of the Treasury, shall establish rules and procedures for measurement, reporting, verification, and audit of water use, chargeable water use, water sources, discharges, and water usage effectiveness under this section and section 4683 of the Internal Revenue Code of 1986.

(f) Penalties.—

(1) Failure to report.—Any data center operator that fails to submit a report required under subsection (b) shall be liable for a civil penalty of not more than $20,000 for each day during which such failure continues.

(2) False or incomplete report.—Any data center operator that knowingly submits materially false, incomplete, or misleading information under subsection (b) shall be liable for a civil penalty of not more than $20,000 for each day during which such violation continues.

(3) Tax penalties.—Nothing in this subsection shall limit the application of any penalty under the Internal Revenue Code of 1986 with respect to a failure to file a return, failure to pay tax, underpayment, false statement, fraud, or other violation relating to the tax imposed under section 4683 of such Code.

(g) No preemption.—Nothing in this section shall be construed to preempt or limit any State, Tribal, or local law, regulation, fee, charge, reporting requirement, water-use restriction, or permitting condition that is more protective of water resources or ratepayers than this section.

Subtitle A—Power to the People

SEC. 1211. UTILITY PROFIT AND RATEPAYER PROTECTION.

(a) Federal Power Act utility profit and ratepayer protection.—Section 205 of the Federal Power Act (16 U.S.C. 824d) is amended by adding at the end the following:

"(h) Utility profit and ratepayer protection.

"(1) Definitions.—In this subsection:

"(A) Adjusted lowest market return.—The term 'adjusted lowest market return' means the lowest return on equity in the range of reasonableness established under subparagraph (H), after the downward adjustment required under subparagraph (I).

"(B) Applicable benchmark return.—The term 'applicable benchmark return' means the lower of—

"(i) the risk-free administrative rate; and

"(ii) the adjusted lowest market return.

"(C) Financial academic.—The term 'financial academic' means an accredited, full-time finance teaching program that regularly publishes United States equity market expected return data and provides a curriculum in business administration or finance.

"(D) Financial institution.—The term 'financial institution' means an entity that manages not less than $2,000,000,000,000 in combined assets and regularly publishes United States equity market expected return data.

"(E) Global systemically important bank.—The term 'global systemically important bank' means an entity classified as a global systemically important bank by the Financial Stability Board that regularly publishes United States equity market expected return data.

"(F) Guaranteed cost recovery.—The term 'guaranteed cost recovery' means the regulatory framework under which a public utility is permitted to recover operating expenses and capital costs, including an authorized return on investment, through Commission-approved rates.

"(G) Prohibited cost.—The term 'prohibited cost' means any direct or indirect cost associated with—

"(i) membership dues or sponsorship fees paid, or contributions made, to an organization described in section 501(c)(6) of the Internal Revenue Code of 1986;

"(ii) lobbying or legislative action, including any expense for the purpose of directly or indirectly influencing—

"(I) the adoption, repeal, or modification of Federal, State, or local regulations, legislation, or ordinances;

"(II) elections, appointments of public officials, or referenda;

"(III) the approval, modification, or revocation of utility franchises;

"(IV) public opinion with respect to Federal, State, or local regulations, legislation, ordinances, elections, referenda, or utility rate setting; or

"(V) the decisions of Federal, State, or local government officials;

"(iii) advertising, marketing, or communications that seek to influence public opinion, unless such advertising, marketing, communications, or related cost is specifically approved or ordered by the Commission, the Secretary of Energy, or the Administrator of the Environmental Protection Agency for a public health, safety, reliability, energy-efficiency, or conservation purpose;

"(iv) travel, lodging, or food and beverage expenses for the board of directors or officers of the public utility, the public utility's holding company, or any associated company or affiliate;

"(v) entertainment or gifts;

"(vi) any owned, leased, or chartered aircraft for the board of directors or officers of the public utility, the public utility's holding company, or any associated company or affiliate;

"(vii) investor relations;

"(viii) attendance in, participation in, preparation for, or appeal of any rate proceeding conducted before the Commission pursuant to this section or section 206, including attorneys' fees, expert-witness fees, consultant fees, the portion of employee salaries associated with such attendance, participation, preparation, or appeal, and related costs identified by the Commission;

"(ix) contributions made to an organization described in paragraph (3) or (4) of section 501(c) of the Internal Revenue Code of 1986;

"(x) contributions to political candidates, political parties, campaign committees, issue committees, independent expenditure committees, political action committees, or other political expenses;

"(xi) products or services not regulated by the Commission, including marketing, administration, or customer service for such products or services;

"(xii) penalties or fines, including tax penalties or fines, issued against the public utility; or

"(xiii) payments to outside attorneys or experts representing, testifying on behalf of, or otherwise supporting the participation of the public utility in any Commission proceeding, except to the extent the Commission determines that such payments are necessary to protect reliability, public safety, or the integrity of Commission proceedings.

"(H) Range of reasonableness.—The term 'range of reasonableness' means the range of reasonableness for return on equity established by the Commission, which shall be comprised of 3 data points, each of which represents a current average expected 10-year total or large-cap United States equity market return or equivalent measure, determined as follows:

"(i) The first data point shall be determined by identifying the midpoint expected 10-year total or large-cap United States equity market return or equivalent measure estimated by financial academics for each of the previous 5 years and using the average of such midpoints.

"(ii) The second data point shall be determined by identifying the midpoint expected 10-year total or large-cap United States equity market return or equivalent measure estimated by financial institutions for each of the previous 5 years and using the average of such midpoints.

"(iii) The third data point shall be determined by identifying the midpoint expected 10-year total or large-cap United States equity market return or equivalent measure estimated by global systemically important banks for each of the previous 5 years and using the average of such midpoints.

"(I) Required downward adjustment.—The Commission shall adjust the range of reasonableness downward to account for the reduced risks of the public utility due to, as applicable—

"(i) operating as a regulated monopoly;

"(ii) guaranteed cost recovery;

"(iii) the use of formula rates, riders, trackers, regulatory assets, securitization, contemporaneous cost recovery, or other alternatives to traditional cost-of-service ratemaking;

"(iv) the provision of Federal loans, loan guarantees, grants, tax credits, credit support, or other Federal financial assistance for assets included in rate base;

"(v) participation in, or exemption from, a regional transmission planning process;

"(vi) the availability of captive ratepayers or nonbypassable charges;

"(vii) the approval or allowance of any measure that reduces the risk that the public utility will not recover prudently incurred capital investments; and

"(viii) any other factor that materially reduces the risk of the public utility relative to an entity operating in a competitive market.

"(J) Risk-free administrative rate.—The term 'risk-free administrative rate' means a baseline rate of return appropriate for an enterprise operating as a regulated monopoly with guaranteed cost recovery. The risk-free administrative rate—

"(i) shall be equal to 3 percent per annum beginning on the date of enactment of this subsection; and

"(ii) may be, by rule, adjusted periodically by the Commission to reflect long-term changes in economic conditions, provided that any such adjustment is supported by substantial evidence that considers—

"(I) capital availability for regulated public utilities;

"(II) productivity trends affecting the provision of regulated utility service;

"(III) tax liability on returns;

"(IV) the risk profile of regulated public utilities as compared to other regulated monopolies; and

"(V) inflation, solely as a contextual factor relevant to the timing and necessity of review, and not as an independent basis for increasing the risk-free administrative rate.

"(K) Utility affiliate terms.—The terms 'affiliate', 'associate company', and 'holding company' have the meanings given such terms in section 366.1 of title 18, Code of Federal Regulations, or any successor regulation.

"(2) Unreasonable return on equity.—For purposes of this section and section 206, in any proceeding in which a public utility seeks to include a return on equity in any rate, charge, classification, rule, regulation, practice, or contract subject to the jurisdiction of the Commission, such return shall be subject to a rebuttable presumption that it is unjust and unreasonable if it exceeds the applicable benchmark return.

"(3) Rebuttal.—

"(A) In general.—A public utility may rebut the presumption under paragraph (2) only by demonstrating, by clear and convincing evidence, that a return on equity exceeding the applicable benchmark return is necessary to address specific and material risks not otherwise mitigated through guaranteed cost recovery, any risk-reduction mechanism described in paragraph (1)(I), or any other Federal, State, local, or regulatory mechanism that shifts risk from shareholders to ratepayers or taxpayers.

"(B) Evaluation of evidence.—In evaluating evidence under subparagraph (A), the Commission shall consider—

"(i) the extent to which the public utility's costs are recoverable through rates;

"(ii) the stability of the public utility's revenue stream;

"(iii) whether the asserted risks are specific and material to the public utility seeking the higher return;

"(iv) whether the asserted risks are already mitigated by rates, riders, trackers, regulatory assets, securitization, grants, loans, loan guarantees, tax credits, or other cost-recovery or risk-reduction mechanisms; and

"(v) whether the higher return would require ratepayers to compensate shareholders for risks the shareholders do not bear.

"(4) Corrupt rate recovery ban.—

"(A) In general.—No public utility may recover a prohibited cost through any rate, charge, classification, rule, regulation, practice, or contract subject to the jurisdiction of the Commission.

"(B) No indirect recovery.—A public utility may not recover a prohibited cost through a rider, tracker, formula rate, regulatory asset, affiliate transaction, management fee, service company charge, general administrative account, settlement, or any other direct or indirect mechanism.

"(5) Cost-saving transmission investments.—

"(A) In general.—For purposes of this section and section 206, the Commission may consider a capital expenditure by a public utility for a transmission project prudent only if the public utility provides substantial evidence that—

"(i) the public utility prioritized grid-enhancing technologies, reconductoring, advanced conductors, advanced power-flow control, dynamic line ratings, energy storage, distributed energy resources, demand response, and other lower-cost alternatives in the planning process for the transmission project; and

"(ii) the transmission project was subject to a regional planning process determined by the Commission to be in compliance with applicable orders of the Commission, unless the Commission determines that emergency reliability needs made such process impracticable.

"(B) Rule of construction.—Nothing in this paragraph shall be construed to require the Commission to approve any capital expenditure that is imprudent, unjust, unreasonable, unduly discriminatory, or preferential.

"(6) Savings clause.—Nothing in this subsection shall be construed to require the Commission to approve any rate that is not just and reasonable or to deny a public utility a reasonable opportunity to earn a return sufficient to maintain financial integrity.

"(7) Regulations.—Not later than 180 days after the date of enactment of this subsection, the Commission shall issue regulations to carry out this subsection.

"(8) Effective date.—This subsection shall apply to any rate, charge, classification, rule, regulation, practice, or contract filed, proposed, demanded, charged, collected, approved, reviewed, or modified on or after the date of enactment of this subsection.".

(b) Eliminating FERC candy.—

(1) Repeal.—The Federal Power Act is amended by striking section 219 (16 U.S.C. 824s).

(2) Conforming amendments.—The Federal Power Act is amended—

(A) in section 201(b)(2), by striking "219," each place it appears; and

(B) in section 201(e), by striking "219,".

(c) Investor-owned utility ratepayer protection.—

(1) In general.—Title VI of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amended by adding at the end the following:

"Sec. 610. Investor-owned utility ratepayer protection.

"(a) Definitions.—In this section:

"(1) Applicable benchmark return.—The term 'applicable benchmark return' means the lower of—

"(A) the risk-free administrative rate under section 205(h)(1)(J) of the Federal Power Act; and

"(B) the adjusted lowest market return determined under section 205(h)(1)(A) of the Federal Power Act, except that, for purposes of applying such section to an investor-owned utility, each reference to the Commission shall be treated as a reference to the applicable State regulatory authority and each reference to a public utility shall be treated as a reference to the investor-owned utility.

"(2) Guaranteed cost recovery.—The term 'guaranteed cost recovery' has the meaning given such term in section 205(h)(1)(F) of the Federal Power Act.

"(3) Investor-owned utility.—

"(A) In general.—The term 'investor-owned utility' means a utility enterprise that—

"(i) is owned, in whole or in part, by private investors;

"(ii) is engaged in the production, transmission, distribution, sale, or delivery of electricity or natural gas for use by the public; and

"(iii) is subject to rate regulation by a State regulatory authority.

"(B) Exclusions.—The term 'investor-owned utility' does not include—

"(i) an electric cooperative;

"(ii) a gas cooperative;

"(iii) an electric utility that is owned or operated by a State or political subdivision of a State;

"(iv) a gas utility that is owned or operated by a State or political subdivision of a State;

"(v) the Tennessee Valley Authority;

"(vi) a Federal power marketing administration; or

"(vii) any other Federal entity.

"(4) Prohibited cost.—The term 'prohibited cost' has the meaning given such term in section 205(h)(1)(G) of the Federal Power Act, except that, for purposes of applying such section to an investor-owned utility—

"(A) each reference to the Commission shall be treated as a reference to the applicable State regulatory authority, except with respect to costs associated with a Commission proceeding;

"(B) each reference to a public utility shall be treated as a reference to the investor-owned utility;

"(C) each reference to section 206 of the Federal Power Act shall be treated as including a rate proceeding before the applicable State regulatory authority; and

"(D) the term shall include any cost identified by the Commission by regulation as substantially similar to a cost described in section 205(h)(1)(G) of the Federal Power Act.

"(5) State.—The term 'State' means each State, the District of Columbia, each territory or possession of the United States, and each federally recognized Indian Tribe with ratemaking authority over an investor-owned utility.

"(6) State regulatory authority.—The term 'State regulatory authority' has the meaning given such term in section 3.

"(b) Return on equity limitation.—

"(1) In general.—An investor-owned utility may not file, demand, charge, collect, or receive any retail rate that includes a return on equity exceeding the applicable benchmark return.

"(2) Rebuttal.—

"(A) In general.—An investor-owned utility may rebut the limitation under paragraph (1) only by demonstrating, by clear and convincing evidence, that a return on equity exceeding the applicable benchmark return is necessary to address specific and material risks not otherwise mitigated through guaranteed cost recovery, any risk-reduction mechanism described in section 205(h)(1)(I) of the Federal Power Act, or any other Federal, State, local, or regulatory mechanism that shifts risk from shareholders to ratepayers or taxpayers.

"(B) Evaluation of evidence.—In evaluating evidence under subparagraph (A), the applicable State regulatory authority shall consider—

"(i) the extent to which the investor-owned utility's costs are recoverable through rates;

"(ii) the stability of the investor-owned utility's revenue stream;

"(iii) whether the asserted risks are specific and material to the investor-owned utility seeking the higher return;

"(iv) whether the asserted risks are already mitigated by rates, riders, trackers, regulatory assets, securitization, grants, loans, loan guarantees, tax credits, or other cost-recovery or risk-reduction mechanisms; and

"(v) whether the higher return would require ratepayers to compensate shareholders for risks the shareholders do not bear.

"(3) Public disclosure.—If an investor-owned utility seeks to include a return on equity exceeding the applicable benchmark return in a retail rate, the investor-owned utility shall make publicly available—

"(A) the applicable benchmark return;

"(B) the return on equity sought by the investor-owned utility;

"(C) the clear and convincing evidence relied on by the investor-owned utility under paragraph (2);

"(D) a quantification of the difference in the investor-owned utility's requested revenue requirement using the return on equity sought by the investor-owned utility compared to the applicable benchmark return; and

"(E) a quantification of the impact on the average residential monthly bill of using the return on equity sought by the investor-owned utility compared to the applicable benchmark return.

"(c) Corrupt rate recovery ban.—

"(1) In general.—No investor-owned utility may recover a prohibited cost through any retail rate.

"(2) No indirect recovery.—An investor-owned utility may not recover a prohibited cost through a rider, tracker, formula rate, regulatory asset, affiliate transaction, management fee, service company charge, general administrative account, settlement, or any other direct or indirect mechanism.

"(d) Enforcement.—

"(1) Federal enforcement.—A violation of this section shall be treated as a violation of a provision of part II of the Federal Power Act and enforced in accordance with section 316A of such Act.

"(2) State enforcement.—A State regulatory authority, State attorney general, or other authorized State officer may enforce this section, and any State law, regulation, order, or ratemaking requirement that is not inconsistent with this section, in any administrative or judicial proceeding.

"(e) Regulations.—Not later than 180 days after the date of enactment of this section, the Commission shall issue regulations to carry out this section.

"(f) Collective bargaining agreement.—Nothing in this section shall be construed to preempt, diminish, or interfere with a collective bargaining agreement that is in place on the date of enactment of this section.

"(g) Savings clause.—Nothing in this section shall be construed to require any State regulatory authority to approve any rate that is not just and reasonable or to deny an investor-owned utility a reasonable opportunity to earn a return sufficient to maintain financial integrity, subject to the requirements of this section.

"(h) No preemption of stronger State law.—Nothing in this section shall be construed to preempt or limit any State law, regulation, order, or ratemaking practice that establishes a lower authorized return on equity, a stricter cost-recovery limitation, or a stronger ratepayer protection than the protection established under this section.".

(2) Table of contents.—The table of contents in section 1(b) of the Public Utility Regulatory Policies Act of 1978 is amended by inserting after the item relating to section 608 the following:

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

"Sec. 610. Investor-owned utility ratepayer protection.".

SEC. 1212. RESTORING POWER GENERATION TAX CREDITS.

(a) Restoration of residential clean energy credit.—Section 25D of the Internal Revenue Code of 1986 (26 U.S.C. 25D) is amended—

(1) by striking "with respect to any expenditures made after December 31, 2025" and inserting "to property placed in service after December 31, 2034"; and

(2) by striking paragraph (3) and by inserting after paragraph (2) the following new paragraphs:

"(3) in the case of property placed in service after December 31, 2021, and before January 1, 2033, 30 percent,

"(4) in the case of property placed in service after December 31, 2032, and before January 1, 2034, 26 percent, and

"(5) in the case of property placed in service after December 31, 2033, and before January 1, 2035, 22 percent.".

(b) Restoration of clean electricity production credit for wind and solar.—Section 45Y of the Internal Revenue Code of 1986 (26 U.S.C. 45Y) is amended—

(1) by striking the second subsection (b)(1)(E), described as "Material assistance from prohibited foreign entities.";

(2) by striking subsection (b)(2)(C)(iii);

(3) in subsection (d)—

(A) in paragraph (1), by striking "Subject to paragraph (4), the amount of" and inserting "The amount of";

(B) by striking paragraph (4); and

(4) by striking subsections (g) and (h).

(c) Restoration of clean electricity investment credit for wind and solar.—Section 48E of the Internal Revenue Code of 1986 (26 U.S.C. 48E) is amended—

(1) in subsection (e)(1), by striking "Subject to paragraph (4), the amount of" and inserting "The amount of";

(2) by striking subsection (e)(4); and

(3) by striking subsection (i).

(d) Repeal of accuracy-related penalty for disallowed clean electricity credits.—Section 6662 of the Internal Revenue Code of 1986 (26 U.S.C. 6662) is amended by striking subsection (m).

(e) Restoration of energy efficient home improvement credit.—Section 25C of the Internal Revenue Code of 1986 (26 U.S.C. 25C) is amended—

(1) in subsection (i), by striking "December 31, 2025" and inserting "December 31, 2032";

(2) in subsection (d)(2), by striking subparagraph (C) and inserting the following:

"(C) Any oil furnace or hot water boiler which—

"(i) is placed in service after December 31, 2022, and before January 1, 2027, and—

"(I) meets or exceeds 2021 Energy Star efficiency criteria, and

"(II) is rated by the manufacturer for use with fuel blends at least 20 percent of the volume of which consists of an eligible fuel, or

"(ii) is placed in service after December 31, 2026, and—

"(I) achieves an annual fuel utilization efficiency rate of not less than 90, and

"(II) is rated by the manufacturer for use with fuel blends at least 50 percent of the volume of which consists of an eligible fuel.".

(f) Repeal of foreign entity and material assistance definitions.—Section 7701(a) of the Internal Revenue Code of 1986 (26 U.S.C. 7701(a)) is amended by striking paragraphs (51) and (52).

(g) Restoration of alternative fuel vehicle refueling property credit.—Section 30C(g) of the Internal Revenue Code of 1986 (26 U.S.C. 30C(g)) is amended by striking "December 31, 2025" and inserting "December 31, 2032".

(h) Restoration of new energy efficient home credit.—Section 45L(g) of the Internal Revenue Code of 1986 (26 U.S.C. 45L(g)) is amended by striking "June 30, 2026" and inserting "December 31, 2032".

(i) Restoration of previously owned clean vehicle credit.—Section 25E(g) of the Internal Revenue Code of 1986 (26 U.S.C. 25E(g)) is amended by striking "December 31, 2025" and inserting "December 31, 2032".

(j) Restoration of clean vehicle credit.—Section 30D of the Internal Revenue Code of 1986 (26 U.S.C. 30D) is amended—

(1) in subsection (i) by striking "September 30, 2025" and inserting "December 31, 2032"; and

(2) in subsection (e)—

(A) in paragraph (1)(B)—

(i) in clause (iii), by striking "and" after the comma at the end;

(ii) in clause (iv), by striking the period at the end and inserting ", and"; and

(iii) by inserting after clause (iv) the following new clause:

"(v) in the case of a vehicle placed in service after December 31, 2026, 80 percent."; and

(B) in paragraph (2)(B)—

(i) in clause (ii), by striking "and" after the comma at the end;

(ii) in clause (iii), by striking the period at the end and inserting a comma; and

(iii) by inserting after clause (iii) the following new clauses:

"(iv) in the case of a vehicle placed in service during calendar year 2027, 80 percent,

"(v) in the case of a vehicle placed in service during calendar year 2028, 90 percent, and

"(vi) in the case of a vehicle placed in service after December 31, 2028, 100 percent.".

(k) Restoration of qualified commercial clean vehicle credit.—Section 45W(g) of the Internal Revenue Code of 1986 (26 U.S.C. 45W(g)) is amended by striking "September 30, 2025" and inserting "December 31, 2032".

(l) Restoration of energy efficient commercial buildings deduction.—Section 179D of the Internal Revenue Code of 1986 (26 U.S.C. 179D) is amended by striking subsection (i).

(m) Restoration of clean hydrogen production credit.—Section 45V(c)(3)(C) of the Internal Revenue Code of 1986 (26 U.S.C. 45V(c)(3)(C)) is amended by striking "January 1, 2028" and inserting "January 1, 2033".

(n) Restoration of transferability rules.—Section 6418(g) of the Internal Revenue Code of 1986 (26 U.S.C. 6418(g)) is amended by striking paragraph (5).

(o) Restoration of statute of limitations.—Section 6501 of the Internal Revenue Code of 1986 (26 U.S.C. 6501) is amended—

(1) by striking subsection (o); and

(2) by redesignating subsection (p) as subsection (o).

(p) Repeal of supplier certification penalty.—

(1) Section 6695B of the Internal Revenue Code of 1986 (26 U.S.C. 6695B) is repealed.

(2) Conforming amendments.—Section 6696 of the Internal Revenue Code of 1986 (26 U.S.C. 6696) is amended—

(A) in the heading, by striking "6695A, and 6695B" and inserting "and 6695A";

(B) in subsections (a), (b), and (e), by striking "6695A, and 6695B" and inserting "and 6695A";

(C) in subsection (c), by striking "6695A, or 6695B" and inserting "or 6695A";

(D) in subsection (d)(1), by striking "(or, in the case of any penalty under section 6695B, 6 years)"; and

(E) in subsection (d)(2), by striking "(or, in the case of any claim for refund of an overpayment of any penalty assessed under section 6695B, 6 years)".

(3) Clerical amendment.—The table of sections for part I of subchapter B of chapter 68 of such Code is amended by striking the item relating to section 6695B.

(q) Restoration of advanced energy project credit program.—Section 48C(e)(3)(C) of the Internal Revenue Code of 1986 (26 U.S.C. 48C(e)(3)(C)) is amended by striking "shall not be increased" and inserting "shall be increased".

(r) Restoration of foreign feedstock eligibility rules.—Section 45Z(f)(1)(A) of the Internal Revenue Code of 1986 (26 U.S.C. 45Z(f)(1)(A)) is amended—

(1) by striking clause (iii);

(2) in clause (i)(II)(bb), by inserting "and" at the end; and

(3) in clause (ii), by striking ", and" and inserting a period.

(s) Repeal of foreign entity restrictions for clean fuel production credit.—Section 45Z(f) of the Internal Revenue Code of 1986 (26 U.S.C. 45Z(f)) is amended by striking paragraph (8).

(t) Repeal of foreign entity restrictions for carbon oxide sequestration credit.—Section 45Q(f) of the Internal Revenue Code of 1986 (26 U.S.C. 45Q(f)) is amended by striking paragraph (10).

(u) Repeal of prohibited foreign entity restrictions for zero-emission nuclear power production credit.—Section 45U(c) of the Internal Revenue Code of 1986 (26 U.S.C. 45U(c)) is amended by striking paragraph (3).

(v) Restoration of advanced manufacturing production phase-out and integrated component rules.—Section 45X of the Internal Revenue Code of 1986 (26 U.S.C. 45X) is amended—

(1) in subsection (b)(3), by striking subparagraphs (C), (D), and (E) and inserting the following:

"(C) Exception.—For purposes of determining the amount under this subsection with respect to any applicable critical mineral, this paragraph shall not apply."; and

(2) in subsection (d)(4), to read as follows:

"(4) Sale of integrated components.—For purposes of this section, a person shall be treated as having sold an eligible component to an unrelated person if such component is integrated, incorporated, or assembled into another eligible component which is sold to an unrelated person.".

SEC. 1213. STANDARDIZING AND EXPEDITING PERMITTING.

(a) NEPA reform.—Section 2 of the National Environmental Policy Act of 1969 (42 U.S.C. 4321) is amended—

(1) by striking "The purposes" and inserting "(a) The purposes"; and

(2) by adding at the end the following:

"(b) This Act is a purely procedural statute intended to ensure Federal agencies consider the environmental impacts of their actions during the decisionmaking process. This Act does not mandate particular results, and only prescribes a process. Nothing in this Act shall be construed to mandate any specific environmental outcome or result, nor shall this Act be interpreted to confer substantive rights or impose substantive duties beyond procedural requirements.".

(b) Procedure for determination of level of review.—Section 106 of the National Environmental Policy Act of 1969 (42 U.S.C. 4336) is amended—

(1) in the heading, by inserting "; SCOPE OF REVIEW" after "LEVEL OF REVIEW";

(2) in subsection (a)—

(A) in paragraph (3), by striking "or";

(B) in paragraph (4), by striking "action." and inserting "action;"; and

(C) by adding at the end the following:

"(5) the agency determines the proposed agency action is an action for which such agency's compliance with another statute's requirements serves the function of agency compliance with this Act with respect to such action; or

"(6) the proposed agency action relates to a project or action that has already been reviewed pursuant to a State environmental review statute or a Tribal environmental review statute, ordinance, resolution, regulation, or formally adopted policy and the lead agency determines such review serves the function of agency compliance with this Act.";

(3) in subsection (b)—

(A) in paragraph (2), by striking "does not" and inserting "is not likely to"; and

(B) in paragraph (3), by amending subparagraph (B) to read as follows:

"(B) is not required to—

"(i) undertake new scientific or technical research unless the new scientific or technical research is essential to a reasoned choice among alternatives, and the overall costs and time frame of obtaining it are not unreasonable; or

"(ii) undertake new scientific or technical research after the receipt of an application, as applicable, with respect to a proposed agency action."; and

(4) by adding at the end the following:

"(c) Scope of review.—In preparing an environmental document for a proposed agency action, a Federal agency—

"(1) may consider only those effects that share a reasonably close causal relationship to, and are proximately caused by, the immediate project or action under consideration; and

"(2) may not consider effects that are speculative, attenuated from the project or action, separate in time or place from the project or action, or in relation to separate existing or potential future projects or actions.

"(d) Certainty.—

"(1) Environmental documents.—A Federal agency may not rescind, withdraw, amend, alter, or otherwise render ineffective any environmental document completed under this Act for a project or action where there is an applicant unless the Federal agency has been so ordered by a court or the applicant has agreed in writing to such rescission, withdrawal, amendment, or alteration.

"(2) Authorizations.—

"(A) In general.—Except as provided in this subsection or existing law, a Federal agency may not revoke, rescind, withdraw, terminate, suspend, amend, alter, or take any other action to interfere with an authorization unless—

"(i) the Federal agency is required to take such action by order of a court of competent jurisdiction;

"(ii) the holder of the authorization has materially breached the terms of the authorization, or otherwise violated applicable law;

"(iii) the authorization was obtained through fraud, intentional concealment, or material misrepresentation;

"(iv) such action is necessary to prevent specific, immediate, substantial, and proximate harm or damage to life, property, national security, or defense that was not considered in the underlying environmental review process or final agency action for the authorization; or

"(v) the Federal agency has received a request from the holder of the authorization or project sponsor to take such action.

"(B) Requirement.—The actions described in subparagraph (A) shall be, as appropriate and where feasible, supported by clear and convincing evidence and reasonably limited in duration and scope by the agency to address the specific issue such action is intended to address.

"(C) Notice.—Before an agency takes an action described in subparagraph (A), the agency shall notify the holder of the authorization and the project sponsor in writing of such action, including by providing a detailed explanation of the action, identifying the statutory authority relied upon for the action, and providing the evidence supporting the action.

"(D) Judicial review.—

"(i) In general.—An action described in subparagraph (A) shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(ii) Venue.—A person seeking judicial review of an action described in subparagraph (A) may only obtain review of such action in the United States court of

appeals for any circuit wherein the project for which the authorization was issued is located.

"(iii) Petitions by Federal agencies.—No Federal agency may petition a court for vacatur or voluntary remand of an authorization unless the holder of the authorization or the project sponsor consents in writing to such a petition.

"(E) Savings clause.—Nothing in subparagraph (A) shall be construed to provide any Federal agency new, enhanced, or expanded authority, or to limit any existing authority, concerning any authorization.

"(e) Presumption of negative impacts of taking no action relating to Tribal trust resources.—For any proposed agency action carried out on, or directly affecting, tribal trust resources (including lands and minerals) that is initiated by the federally recognized Indian Tribe for which the United States holds the affected resources in trust, and for which an environmental document was prepared that included consideration of a no action alternative, there shall be a presumption that the effects of taking no action will be negative for the federally recognized Indian Tribe.

"(f) Effect of threshold determinations on other agencies.—If a lead agency determines an environmental document is not required to be prepared with respect to a proposed agency action under subsection (a), another agency may not prepare an environmental document with respect to such proposed agency action.".

(c) Timely and unified Federal reviews.—Section 107 of the National Environmental Policy Act of 1969 (42 U.S.C. 4336a) is amended—

(1) Lead agency.—Section 107(a) of the National Environmental Policy Act of 1969 (42 U.S.C. 4336a(a)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "at the earliest practicable time" and inserting "in accordance with subsection (g)(2)";

(ii) in subparagraph (D), by striking "carry out the proposed agency action" and inserting "carry out the proposed agency action in compliance with the deadlines outlined in subsection (g)"; and

(iii) in subparagraph (E)—

(I) by striking "a review" and inserting "an environmental review"; and

(II) by striking "such review" and inserting "such environmental review"; and

(B) in paragraph (3)—

(i) by inserting "(including counties, boroughs, parishes, and other political subdivisions of a State)" after "local agency"; and

(ii) by adding at the end "Such comments from Federal cooperating agencies shall be limited to matters relating to the proposed agency action with respect to which such Federal cooperating agency has jurisdiction by law.".

(2) One document.—Section 107(b) of the National Environmental Policy Act of 1969 (42 U.S.C. 4336a(b)) is amended—

(A) by striking "To the extent practicable," and inserting the following:

"(1) Document.—To the extent practicable,"; and

(B) by adding at the end the following:

"(2) Consideration timing.—

"(A) In general.—In preparing an environmental document for a proposed agency action, no Federal agency shall be required to consider any scientific or technical research that becomes publicly available after the earlier of, as applicable—

"(i) the date of receipt of an application with respect to such proposed agency action; and

"(ii) the date of publication of a notice of intent or decision to prepare such environmental document for such proposed agency action.

"(B) Applicability to other law.—This paragraph does not affect any review of information required under subchapter II of chapter 5 of title 5, United States Code, with respect to comments received during the public comment period as applicable.

"(C) Delay.—A Federal agency may not delay the issuance of an environmental document or a final agency action, including any decision or determination, on the basis of awaiting new scientific or technical research or information that was not available as of the earlier of the dates described in subparagraph (A).";

(3) Statement of purpose and need.—Section 107(d) of the National Environmental Policy Act of 1969 (42 U.S.C. 4336a(d)) is amended by striking "action." and inserting "action. Where applicable, the statement of purpose and need shall meet the goals of the applicant.".

(4) Deadlines.—Section 107(g) of the National Environmental Policy Act of 1969 (42 U.S.C. 4336a(g)) is amended—

(A) by redesignating paragraphs (1), (2), and (3) as paragraphs (3), (5), and (6), respectively;

(B) by inserting before paragraph (3) (as so redesignated) the following:

"(1) Applications for authorizations.—

"(A) Notification of complete or incomplete application.—Unless a shorter deadline is specified by law, in connection with a proposed agency action for which an applicant submitted an application for an authorization to an agency, not later than 60 days after the date on which the applicant submits the application to the agency, the agency shall document the receipt of the application and—

"(i) notify the applicant that the application is complete; or

"(ii) notify the applicant that the application is incomplete and request in writing any additional information that the agency needs to determine that the application is complete and begin preparation of an environmental document.

"(B) Agency determination.—

"(i) Complete determination.—If an agency determines an application is complete under subparagraph (A)(i), the agency shall, not later than 60 days after the date on which the agency makes such determination—

"(I) notify the applicant that the agency has determined that the proposed agency action is excluded pursuant to one of the agency's categorical exclusions, is not a major Federal action, or that no further agency action is required;

"(II) issue a notice of intent to prepare an environmental impact statement for such proposed agency action; or

"(III) notify the applicant that the agency has determined that preparation of an environmental assessment is necessary.

"(ii) Incomplete determination.—If the agency requests additional information under subparagraph (A)(ii), the deadline described in clause (i) shall be based on the date on which the agency receives the additional information instead of the date on which the determination is made.

"(2) Cooperating agencies.—

"(A) In general.—Not later than 21 days after a lead agency issues a notice of intent under paragraph (1)(B)(i)(II) or notifies an applicant under paragraph (1)(B)(i)(III) with respect to a proposed agency action, the lead agency shall—

"(i) identify all agencies that are likely to have environmental review, authorization, or other responsibilities with respect to the proposed agency action; and

"(ii) invite each such agency to become a cooperating agency.

"(B) Deadline to accept invitation.—Not later than 21 days after an agency receives an invitation to become a cooperating agency under subparagraph (A)(ii), such agency shall accept or deny the invitation.

"(C) Convening of cooperating agencies.—Not later than 7 days after the deadline described in subparagraph (B) has passed for each agency that received an invitation to become a cooperating agency under subparagraph (A)(ii), the lead agency that sent each such invitation shall convene each agency that accepts such an invitation to coordinate on developing the schedule under subsection (a)(2)(D) for the applicable proposed agency action.

"(D) Unidentified agencies.—In the event that an agency that has jurisdiction by law or special expertise with respect to any environmental impact involved in a proposed agency action is not identified under subparagraph (A)(i), the lead agency with respect to the proposed agency action shall—

"(i) invite such unidentified agency to become a cooperating agency by not later than 7 days after becoming aware that the agency has jurisdiction by law or special expertise; and

"(ii) if such agency accepts the invitation, incorporate such agency into the schedule developed under subsection (a)(2)(D) and update such schedule accordingly by not later than 14 days after the date on which such agency accepts the invitation.";

(C) in paragraph (3) (as so redesignated)—

(i) by striking "In general" and inserting "Review timeline"; and

(ii) by striking "paragraph (2)" and inserting "paragraph (5)";

(D) by inserting after paragraph (3) (as so redesignated) the following:

"(4) Deadline for final agency action.—For any proposed agency action for which an applicant submitted an application for an authorization to an agency, not later than 30 days after completing an environmental impact statement or an environmental assessment for the proposed agency action, the lead agency, and any cooperating agency, shall issue a final agency action. The agency issuing such final agency action shall include in the final agency action a performance schedule for the completion of any other outstanding authorizations.";

(E) in paragraph (5) (as so redesignated)—

(i) by striking "the deadline described in paragraph (1)" and inserting "a deadline described in this subsection"; and

(ii) by striking ", in consultation with the applicant, to" and inserting "if the applicant approves such extension. If the applicant approves such extension, the lead agency shall";

(F) in paragraph (6) (as so redesignated)—

(i) by striking "A project sponsor may" and inserting "Except as provided in subparagraph (C), a project sponsor may"; and

(ii) by adding at the end the following:

"(C) Exception.—A project sponsor that approved an extension of a deadline under paragraph (5) may not obtain judicial review of a failure to act in accordance with such deadline under subparagraph (A) unless the lead agency fails to meet the new deadline or is delaying for reasons other than those necessary to complete its review."; and

(G) by adding at the end the following:

"(7) Concurrent review.—In carrying out an environmental review, the lead agency and each cooperating agency shall carry out the obligations of that agency under other applicable laws concurrently, and in conjunction, with other required reviews for the proposed agency action, pursuant to the requirements of applicable law, including, if applicable, under this Act.".

(d) Programmatic environmental documents.—Section 108 of the National Environmental Policy Act of 1969 (42 U.S.C. 4336b) is amended—

(1) by striking "When an agency prepares" and inserting the following:

"(a) Programmatic environmental documents.—When an agency prepares";

(2) in paragraph (1), by striking "5" and inserting "10";

(3) in paragraph (2), by striking "5" and inserting "10"; and

(4) by adding at the end the following:

"(b) Reliance on previously completed environmental reviews.—

"(1) Actions that are substantially the same.—A lead agency may satisfy the requirements of this Act with respect to a major Federal action by relying on an environmental assessment, environmental impact statement, or a categorical exclusion determination that the lead agency, another Federal agency, or a project sponsor under the supervision of a Federal agency completed for another major Federal action if the lead agency determines that—

"(A) the new major Federal action is substantially the same as the other major Federal action or, if applicable, an alternative analyzed in such environmental assessment or environmental impact statement; and

"(B) if applicable, the effects of the new major Federal action are substantially the same as the effects analyzed in such environmental assessment or environmental impact statement.

"(2) Actions that are not substantially the same.—If a new major Federal action is not substantially the same as another major Federal action or an alternative analyzed in an environmental assessment or environmental impact statement completed by the lead agency, another Federal agency, or a project sponsor under the supervision of a Federal agency, the lead agency may modify or augment any such previously completed environmental assessment or environmental impact statement as necessary to satisfy the requirements of this Act with respect to the new major Federal action. The lead agency shall make such modified environmental assessment or environmental impact statement publicly available as a new environmental assessment or environmental impact statement.".

(e) Adoption of categorical exclusions.—Section 109 of the National Environmental Policy Act of 1969 (42 U.S.C. 4336c) is amended in the text preceding paragraph (1), by inserting ", or that was legislatively enacted by Congress," after "procedures".

(f) Definitions.—Section 111 of the National Environmental Policy Act of 1969 (42 U.S.C. 4336e) is amended—

(1) by redesignating paragraphs (1) through (13) as paragraphs (2) through (14), respectively;

(2) by inserting before paragraph (2) (as so redesignated) the following:

"(1) Authorization.—The term 'authorization' means any lease, right-of-way, easement, license, permit, approval, finding, determination, or other administrative decision issued by an agency or any interagency consultation that is required or authorized under Federal law in order to construct, modify, or operate a project.";

(3) in paragraph (2) (as so redesignated), by inserting ", or Congress deems by statute," after "Federal agency has determined";

(4) in paragraph (11) (as so redesignated)—

(A) in subparagraph (B)—

(i) in clause (iii)—

(I) by inserting "grants (including capitalization grants), cost share awards," after "loan guarantees,";

(II) by striking "sufficient" and inserting "complete"; and

(III) by striking "subsequent use of such financial assistance or the";

(ii) by redesignating clauses (iv) through (vii) as clauses (vi) through (ix), respectively; and

(iii) by inserting after clause (iii) the following:

"(iv) farm ownership loans and operating loan guarantees by the Farm Service Agency pursuant to sections 305 and 311 through 319 of the Consolidated Farm and Rural Development Act;

"(v) the issuance of an authorization by an agency where the effects of the action or project being permitted or authorized were previously evaluated by another agency in compliance with this Act;"; and

(B) by adding at the end the following:

"(C) Additional exclusions.—An agency action may not be determined to be a major Federal action solely on the basis of the provision of Federal funds, including a grant, loan, loan guarantee, and funding assistance."; and

(5) by adding at the end the following:

"(15) Reasonably foreseeable.—The term 'reasonably foreseeable', with respect to environmental effects of a proposed agency action—

"(A) means effects that share a reasonably close causal relationship to, and are proximately caused by, the immediate project or action under consideration; and

"(B) does not include effects that are—

"(i) speculative;

"(ii) attenuated from the proposed agency action;

"(iii) separate in time or place from the proposed agency action; or

"(iv) in relation to separate existing or potential future projects.".

(g) Duties.—Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344) is amended in paragraph (4) by inserting "energy," after "health,".

(h) Judicial review.—Title I of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) is amended—

(1) by redesignating section 112 as section 110A and moving such section so as to appear after section 110; and

(2) by inserting before section 111 the following:

"Sec. 110B. Judicial review.

"(a) Role of the court.—In reviewing a claim of whether a final agency action complies with the requirements of this Act, a court—

"(1) shall afford substantial deference to the agency; and

"(2) may not substitute its judgment for that of the agency regarding the environmental effects included in the final agency action or included in the environmental document.

"(b) Remand.—

"(1) In general.—If a court holds, under section 706(2)(A) of title 5, United States Code, that a final agency action does not comply with the requirements of this Act, the only remedy the court may order, notwithstanding chapter 7 of title 5, United States Code, is to remand, without vacatur or injunction, the final agency action to the agency with—

"(A) specific instruction to correct the errors or deficiencies found by the court; and

"(B) a reasonable schedule and deadline to correct such errors or deficiencies, which such deadline may not exceed—

"(i) with regard to an order entered on or after the date of enactment of this section, the date that is 180 days after the date on which the order was entered; and

"(ii) with regard to an order entered before the date of enactment of this section, the date that is 180 days after the date of enactment of this section.

"(2) Continued effect of final agency action.—A final agency action remanded under paragraph (1) shall remain in effect while the Federal agency corrects any errors or deficiencies found by the court.

"(c) Limitations on claims.—

"(1) In general.—Notwithstanding any other provision of law (except as provided in subparagraph (A) with respect to a shorter deadline), a claim described in subsection (a) shall be barred unless—

"(A) such claim is filed not later than 150 days after the final agency action is made public, unless a shorter deadline is specified under law;

"(B) in the case of a final agency action for which there was a public comment period on an environmental document, such claim—

"(i) is filed by a party that submitted a substantive and unique comment during such public comment period by the noticed comment deadline for the environmental document and such comment was sufficiently detailed to put the applicable Federal agency on notice of the issue upon which the party seeks review; and

"(ii) concerns the same subject matter raised in the comment submitted during the public comment period;

"(C) such claim is filed by a party that has suffered or imminently will suffer direct harm from the final agency action; and

"(D) such claim does not challenge the establishment of a categorical exclusion.

"(2) Supplemental environmental documents.—If an agency issues a supplemental environmental document in response to a court order remanding a final agency action, the deadline described in paragraph (1)(A) shall be the date on which the agency makes public the agency action for which the supplemental environmental document is prepared. A claim for review of such final agency action shall be limited to information contained in the final supplemental environmental document that was not contained in a previous environmental document for the final agency action.

"(3) Actions for use of tribal trust resources.—For any final agency action that authorizes or affects the use of lands, minerals, or other resources already held in trust at the time of the final agency action by the United States for the benefit of a federally recognized Indian Tribe—

"(A) except as provided in subparagraph (B), there shall be no administrative or judicial review of such final agency action based on a claim of failure to comply with the requirements of this Act; and

"(B) subparagraph (A) shall not apply to actions for administrative or judicial review—

"(i) brought by the federally recognized Indian Tribe for which the United States holds the lands, minerals, or other resources in trust; or

"(ii) that involve reasonably foreseeable effects of the final agency action that occur outside the lands, minerals, or other resources held in trust by the United States for the benefit of a federally recognized Indian Tribe.

"(d) Deadline for resolution.—

"(1) In general.—A court shall issue a final judgment on a claim described in subsection (a)—

"(A) as expeditiously as practicable; and

"(B) unless a shorter deadline is specified under Federal law, not later than the date that is 180 days after the date on which the agency record for the review is filed with the reviewing court, which shall not be more than 60 days after the filing of the claim.

"(2) Accelerated deadlines.—Nothing in this subsection may be construed to prevent a court from further expediting review of a claim described in subsection (a).

"(3) Appeals.—

"(A) Filing.—A notice of appeal of a final judgment described in this subsection shall be filed not later than 60 days after such final judgment is issued. In the case of a final agency action remanded under subsection (b), the agency and, if applicable, the applicant, shall have the right to appeal during the pendency of the remand.

"(B) Deadline for review.—A court shall issue a final decision on an appeal filed under subparagraph (A)—

"(i) as expeditiously as practicable; and

"(ii) not later than the date that is 180 days after the date on which the appeal is filed.

"(e) No effect on review of compliance with other deadlines.—This section shall not affect the right to obtain review under section 107(g)(3).".

SEC. 1214. PUBLIC LAND RENEWABLE ENERGY DEVELOPMENT.

(a) Definitions.—In this section:

(1) Covered land.—The term "covered land" means land that is—

(A) Federal land;

(B) not excluded from the development of geothermal, solar, or wind energy under—

(i) a land use plan; or

(ii) other Federal law; and

(C) not included in an area—

(i) that is subject to the Desert Renewable Energy Conservation Plan developed by the California Energy Commission, the California Department of Fish and Wildlife, the Bureau of Land Management, and the United States Fish and Wildlife Service; or

(ii) for which the Secretary determines existing wind and solar energy land use planning meets or exceeds the standards established under subsection (c).

(2) Energy storage project.—The term "energy storage project" means equipment that—

(A) receives, stores, and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors, superconducting magnets, or other technologies identified by the Secretary of Energy; and

(B) has a storage capacity of not less than 5 kilowatt hours.

(3) Exclusion area.—The term "exclusion area" means covered land that is identified by the Bureau of Land Management as not suitable for development of renewable energy projects.

(4) Federal land.—The term "Federal land" means—

(A) public land; and

(B) National Forest System lands administered by the Department of Agriculture through the Forest Service where the Secretary has authority to issue leases for the development and utilization of geothermal resources under section 3 and section 15 of the Geothermal Steam Act of 1970 (30 U.S.C. 1002, 1014).

(5) Fund.—The term "Fund" means the Renewable Energy Resource Conservation Fund established by subsection (f)(3)(A).

(6) Land use plan.—The term "land use plan" means—

(A) with respect to public land, a land use plan established under the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.); and

(B) with respect to National Forest System land, a land management plan approved, amended, or revised under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

(7) National Forest System.—The term "National Forest System" has the meaning given the term in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

(8) Priority area.—The term "priority area" means covered land identified by the land use planning process of the Bureau of Land Management as being a preferred location for a renewable energy project, including an area that is identified as a designated leasing area under the rule of the Bureau of Land Management entitled "Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections" (81 Fed. Reg. 92122 (December 19, 2016)) or a successor regulation.

(9) Public land.—The term "public land" has the meaning given the term "public lands" in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(10) Renewable energy project.—The term "renewable energy project"—

(A) means a project carried out on covered land that—

(i) uses wind, solar, or geothermal energy to generate energy; or

(ii) transmits electricity to support wind, solar, or geothermal energy generation; and

(B) may include an associated energy storage project.

(11) Secretary.—The term "Secretary" means the Secretary of the Interior.

(b) Updating national goals for renewable energy production on Federal land.—Section 3104 of the Energy Act of 2020 (43 U.S.C. 3004) is amended—

(1) in subsection (b)—

(A) by striking "25" and inserting "60"; and

(B) by striking "2025" and inserting "December 31, 2030"; and

(2) by adding at the end the following:

"(c) Update.—Not later than 18 months after the date of enactment of this subsection, the Secretary, in consultation with the Secretary of Agriculture and the heads of other relevant Federal agencies, shall update the national goals for renewable energy production on Federal land established under subsection (a).".

(c) Land use planning and updates to programmatic environmental impact statements.—

(1) Priority areas.—

(A) Establishment of priority areas; designation of areas eligible for the submission of renewable energy project applications.—

(i) In general.—For purposes of renewable energy planning, the Secretary, consistent with the requirements described in clause (ii), shall—

(I) designate areas on covered land eligible for the submission of renewable energy project applications; and

(II) consider establishing priority areas on covered land for renewable energy projects.

(ii) Requirements.—In carrying out activities under subclauses (I) and (II) of clause (i), the Secretary shall comply with—

(I) the principles of multiple use, as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702); and

(II) the national goals for renewable energy production established under section 3104 of the Energy Act of 2020 (43 U.S.C. 3004), including the minimum production goal described in subsection (b) of that section.

(B) Priority for certain applications.—In considering applications for renewable energy projects on covered land, with respect to an application for a proposed renewable energy project on covered land that is to be carried out in a priority area, the Secretary shall—

(i) prioritize the application to be carried out in any identified priority area; and

(ii) on approval of the application, provide to the applicant who submitted the application the opportunity to participate in any regional mitigation plan developed for the applicable priority area.

(C) Programmatic planning.—

(i) Solar energy implementation.—Not later than 1 year after the date of enactment of this Act, the Secretary shall use the Approved Resource Management Plan Amendments and Record of Decision for Utility-Scale Solar Energy Development issued by the Bureau of Land Management in December 2024 to identify, publish, and maintain a project-ready solar development list for covered land that—

(I) is available for utility-scale solar energy development under that Record of Decision;

(II) is located within 15 miles of an existing or planned transmission line with a capacity of not less than 69 kilovolts, or is previously disturbed land identified under that Record of Decision;

(III) has comparatively low resource conflict based on the exclusion criteria, avoidance criteria, programmatic design features, and environmental evaluation processes adopted in that Record of Decision;

(IV) is suitable for site-specific environmental review, interconnection review, and right-of-way application processing; and

(V) can support responsible solar energy development without eliminating the requirement for project-specific review, public comment, consultation, mitigation, and final agency approval.

(ii) Project processing report.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to Congress and publish on a public website a report that identifies, for covered land made available for utility-scale solar energy development under the Record of Decision described in clause (i)—

(I) the number of pending right-of-way applications;

(II) the acreage, proposed capacity, and proposed storage capacity associated with such applications;

(III) the transmission line or planned transmission line associated with each application;

(IV) the status of site-specific environmental review for each application;

(V) the expected timeline for final agency action;

(VI) any unresolved interconnection, transmission, water, wildlife, cultural-resource, Tribal consultation, or local land-use issue that may delay final agency action; and

(VII) any additional staffing, coordination, or transmission-planning action needed to convert available solar development acreage into approved, responsibly sited projects.

(iii) Wind energy implementation.—Not later than 1 year after the date of enactment of this Act, the Secretary shall use the Final Programmatic Environmental Impact Statement on Wind Energy Development on BLM-Administered Lands in the Western United States dated June 2005, the Record of Decision for the Wind Energy Development Programmatic Environmental Impact Statement signed in December 2005, the West-Wide Wind Mapping Project completed in 2016, and any updated transmission, wildlife, cultural-resource, Tribal consultation, military aviation, radar, and land-use data to identify, publish, and maintain a project-ready wind development list for covered land that—

(I) is available for wind energy development under the Wind Energy Development Programmatic Environmental Impact Statement and Record of Decision;

(II) is located within 15 miles of an existing or planned transmission line with a capacity of not less than 69 kilovolts, or is previously disturbed land suitable for wind energy development;

(III) has comparatively low resource conflict based on applicable exclusion criteria, avoidance criteria, best management practices, programmatic design features, and environmental evaluation processes;

(IV) is suitable for site-specific environmental review, interconnection review, and right-of-way application processing; and

(V) can support responsible wind energy development without eliminating the requirement for project-specific review, public comment, consultation, mitigation, and final agency approval.

(iv) Wind project processing report.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to Congress and publish on a public website a report that identifies, for covered land identified under clause (iii)—

(I) the number of pending right-of-way applications;

(II) the acreage, proposed capacity, and proposed storage capacity associated with such applications;

(III) the transmission line or planned transmission line associated with each application;

(IV) the status of site-specific environmental review for each application;

(V) the expected timeline for final agency action;

(VI) any unresolved interconnection, transmission, wildlife, cultural-resource, Tribal consultation, military aviation, radar, local land-use, or other issue that may delay final agency action; and

(VII) any additional staffing, coordination, or transmission-planning action needed to convert available wind development acreage into approved, responsibly sited projects.

(2) Review and modification.—

(A) In general.—Subject to subparagraph (B), not less frequently than once every 10 years, the Secretary shall—

(i) after an opportunity for public comment, review the adequacy of all land allocations for renewable energy projects for the purposes of—

(I) encouraging and facilitating new renewable energy projects; and

(II) consistent with a mitigation sequence of avoiding, minimizing, and compensating for adverse impacts to other public uses and values of covered land, including—

(aa) wildlife habitat;

(bb) species listed as threatened or endangered under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(cc) water resources;

(dd) cultural resources;

(ee) recreational uses;

(ff) land with wilderness characteristics;

(gg) land with special management designations; and

(hh) areas of Tribal importance; and

(ii) based on the review carried out under clause (i), add, modify, or eliminate priority areas, exclusion areas, and areas on covered land open or closed to solar or wind energy right-of-way applications or to geothermal leasing.

(B) Limitation.—Subparagraph (A) shall not apply to any covered land that the Secretary determines, after seeking public input, is subject to an existing land use plan that meets the purposes described in subparagraph (A)(i).

(C) Report.—If the Secretary determines, in an annual report required under subsection (g) of section 3102 of the Energy Act of 2020 (43 U.S.C. 3002), as

redesignated by subsection (d)(1), that the national goal for renewable energy production established under subsection (a) of section 3104 of that Act (43 U.S.C. 3004), including the minimum production goal established under subsection (b) of that section, may not be met, the Secretary shall act more frequently than otherwise required by this subsection to designate areas eligible for the submission of renewable energy project applications and establish additional priority areas for renewable energy projects.

(3) Compliance with the National Environmental Policy Act of 1969.—For purposes of this subsection, compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, shall be accomplished—

(A) for geothermal energy—

(i) by updating the document entitled "Final Programmatic Environmental Impact Statement for Geothermal Leasing in the Western United States" and dated October 2008; and

(ii) by incorporating into the updated document under clause (i) any additional regional analyses completed by Federal agencies after the date on which the document described in that clause was finalized;

(B) for solar energy—

(i) by updating the document entitled "Final Programmatic Environmental Impact Statement (PEIS) for Solar Energy Development in Six Southwestern States" and dated July 2012; and

(ii) by incorporating into the updated document under clause (i) any additional regional analyses completed by Federal agencies after the date on which the document described in that clause was finalized; and

(C) for wind energy—

(i) by updating the document entitled "Final Programmatic Environmental Impact Statement on Wind Energy Development on BLM-Administered Lands in the Western United States" and dated June 2005; and

(ii) by incorporating into the updated document under clause (i) any additional regional analyses completed by Federal agencies after the date on which the document described in that clause was finalized.

(4) No effect on processing site-specific applications.—Nothing in this subsection modifies any requirement to conduct site-specific environmental reviews or process permits for proposed renewable energy projects during preparation of an updated programmatic environmental impact statement, land use plan, or amendment to a land use plan.

(5) Coordination.—In developing any update required under this subsection, the Secretary shall coordinate, on an ongoing basis, with appropriate State, Tribal, and local

governments, transmission infrastructure owners, operators, and developers, renewable energy developers, and other appropriate entities to ensure that priority areas established by the Secretary under this subsection take into account—

(A) economic viability, including having access to existing or planned transmission lines;

(B) consistency with a mitigation sequence to avoid, minimize, and compensate for impacts to—

(i) fish, wildlife, or plants;

(ii) fish, wildlife, or plant habitat;

(iii) recreational uses;

(iv) land with wilderness characteristics;

(v) land with special management designations;

(vi) cultural resources;

(vii) areas of Tribal importance; and

(viii) other uses of covered land;

(C) feasibility of siting on previously disturbed land, including commercial and industrial land, mine land, and previously contaminated sites; and

(D) consistency with section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712), including subsection (c)(9) of that section (43 U.S.C. 1712(c)(9)).

(6) Transmission.—In carrying out this subsection, the Secretary shall—

(A) determine whether adequate transmission exists for renewable energy projects on covered land; and

(B) if a determination is made in the negative under subparagraph (A), in coordination with the heads of other relevant Federal agencies, review existing land use plans to determine if amendments to those land use plans would be appropriate to support adequate transmission capability.

(7) Incentives for renewable energy development in priority areas.—The Secretary may establish, by regulation, incentives to be provided to individuals carrying out renewable energy projects in priority areas established under this subsection.

(d) Improving wind and solar energy project permitting.—

(1) Role of Renewable Energy Coordination Offices.—Section 3102 of the Energy Act of 2020 (43 U.S.C. 3002) is amended—

(A) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(B) by inserting after subsection (d) the following:

"(e) Processing of wind and solar energy applications.—

"(1) Delegation to State Renewable Energy Coordination Offices.—

"(A) In general.—Notwithstanding any other provision of law, the Secretary may delegate to a State Renewable Energy Coordination Office the authority to process applications for eligible projects proposed to be carried out on land managed by the Bureau of Land Management in the applicable State.

"(B) Roles and responsibilities of managers.—For purposes of processing applications described in subparagraph (A), the manager of the applicable State Renewable Energy Coordination Office—

"(i) shall have the authority to issue grants or leases for eligible projects;

"(ii) with the approval of the State Director of the applicable Bureau of Land Management State Office, may use other employees in field and district offices of the applicable Bureau of Land Management State Office, or hire additional experts, to assist with timely processing of applications, with the costs of hiring additional experts to be charged to applicants; and

"(iii) shall report to the State Director of the applicable Bureau of Land Management State Office.

"(2) Prohibition of delegation to employees of field or district offices.—Except as provided in paragraph (1)(B)(ii), the Secretary may not delegate to employees of field or district offices of the Bureau of Land Management the authority to process applications for eligible projects proposed to be carried out on land managed by the Bureau of Land Management.".

(2) Cost recovery agreements.—

(A) In general.—Not later than 30 days after the date on which an applicant submits a complete application for a right-of-way for a wind or solar energy project, including submission of the filing fee required under section 2804.12 of title 43, Code of Federal Regulations, or a successor regulation, the Secretary shall provide a cost recovery agreement with respect to the application.

(B) Effect.—Issuance of a cost recovery agreement under subparagraph (A) and payment of cost recovery fees shall preclude any new claims to the use of the applicable covered land during any period in which the application is active.

(C) Conflicts; studies.—

(i) Conflicts.—To be considered complete under subparagraph (A), an application described in that subparagraph shall address any known conflicts with respect to the use of the applicable covered land, as identified in scientific literature or other studies.

(ii) Additional studies.—Additional studies shall not be required for purposes of considering an application to be complete under subparagraph (A).

(3) Environmental requirements.—

(A) Notice of intent.—

(i) In general.—Not later than 180 days after the date on which the agency notifies the applicant that the application to establish a right-of-way is complete, or a later date to be established by the Secretary under clause (ii), if an environmental impact statement is determined to be necessary, the Secretary shall issue a notice of intent to prepare an environmental impact statement with respect to the application.

(ii) Extension.—The Secretary shall establish a later date by which the notice under clause (i) shall be issued, if the Secretary determines that the 180-day period under that clause should be extended due to—

(I) the application being considered a low priority under section 2804.35 of title 43, Code of Federal Regulations, or a successor regulation;

(II) project-specific circumstances, including the need for further studies, making the 180-day deadline insufficient; or

(III) the application not meeting the requirements for approval.

(B) Categorical exclusion.—As the Secretary determines to be appropriate, the Secretary may promulgate regulations providing that preliminary geotechnical work and meteorological monitoring relating to renewable energy projects shall be categorically excluded from the requirements for an environmental assessment or environmental impact statement under section 1501.4 of title 40, Code of Federal Regulations, or a successor regulation.

(4) Processing priority.—In processing applications described in paragraph (2)(A), the Secretary shall—

(A) give priority to applications for renewable energy projects in priority areas; and

(B) process applications for renewable energy projects in areas that are not priority areas in the order in which the applications are received.

(5) Use of competitive process.—

(A) In general.—Subject to subparagraph (B), the Secretary shall not use a competitive process for the review of an application described in paragraph (2)(A), except—

(i) in a case in which 2 or more applicants file an application for the same site, or portions of the same site, not more than 15 days apart; or

(ii) as otherwise established by the Secretary through a subsequent rulemaking process delineating the instances in which the Secretary will use the competitive process.

(B) Limitation.—Subparagraph (A) shall not apply to applications for competitive right-of-way leases in priority areas.

(e) Increasing economic certainty.—

(1) Rents and fees.—

(A) In general.—In determining rental rates and other fees for renewable energy project leases or right-of-way grants, the Secretary shall ensure that the total rental rates and other fees charged do not exceed the average amount charged for similar activities on private land in the State or county in which the rental rates and other fees are charged.

(B) Individual appraisals not required.—For purposes of determining rental rates for renewable energy projects, the Secretary—

(i) shall not be required to conduct individual appraisals; and

(ii) may use average cash rents included in the Pastureland Rents Survey prepared by the National Agricultural Statistics Service, as determined for the 5-year period ending on the date on which the rental rate is determined.

(C) Increases in base rental rates.—After a base rental rate is established for a lease or right-of-way grant authorization for a renewable energy project, any increase in the base rental rate shall be limited to the percentage increase, if any, in the Gross Domestic Product: Implicit Price Deflator, as published by the Bureau of Economic Analysis of the Department of Commerce, for the most recent 12-month period for which data are available before the date of the increase.

(D) Capacity fees.—The Secretary may consider charging a capacity fee for a renewable energy project only if the Secretary determines that capacity fees are charged within the region or State in which the renewable energy project is carried out, as part of leaseholds on State or private land.

(2) Bonds.—The Secretary shall adopt a process for establishing bond requirements for decommissioning renewable energy projects that—

(A) do not establish a minimum per acre amount; and

(B) are based on the difference between—

(i) the estimated, site-specific net costs of reclamation of the covered land; and

(ii) the salvage value of materials available after decommissioning the renewable energy project.

(f) Disposition of revenues; Renewable Energy Resource Conservation Fund.—

(1) Disposition of revenues.—

(A) Availability.—Except as provided in subparagraph (C), without further appropriation or fiscal year limitation, of the amounts collected from wind and solar energy projects as bonus bids, rentals, fees, or other payments under a right-of-way, permit, lease, or other authorization—

(i) for the period beginning on January 1, 2027, and ending on December 31, 2045—

(I) 25 percent shall be paid by the Secretary of the Treasury to the State within the boundaries of which the revenue is derived;

(II) 25 percent shall be paid by the Secretary of the Treasury to the 1 or more counties within the boundaries of which the revenue is derived, to be allocated among the counties based on the percentage of land from which the revenue is derived;

(III) 15 percent shall be deposited in the Treasury and credited to the Bureau of Land Management's Renewable Energy Management account to be made available to the Secretary to carry out subsections (c) and (d), including amendments made by those subsections, including the transfer of the funds by the Bureau of Land Management to other Federal agencies and State agencies to facilitate the processing of permits for renewable energy projects, with priority given to using the amounts, to the maximum extent practicable, without detrimental impacts to emerging markets, to expedite the issuance of permits required for the development of wind and solar energy projects in the States from which the revenues are derived; and

(IV) 35 percent shall be deposited in the Fund; and

(ii) beginning on January 1, 2047—

(I) 25 percent shall be paid by the Secretary of the Treasury to the State within the boundaries of which the revenue is derived;

(II) 25 percent shall be paid by the Secretary of the Treasury to the 1 or more counties within the boundaries of which the revenue is derived, to be allocated

among the counties based on the percentage of land from which the revenue is derived;

(III) 10 percent shall be deposited in the Treasury and be made available to the Secretary to carry out subsections (c) and (d), including amendments made by those subsections, including the transfer of the funds by the Bureau of Land Management to other Federal agencies and State agencies to facilitate the processing of permits for wind and solar energy projects, with priority given to using the amounts, to the maximum extent practicable, without detrimental impacts to emerging markets, to expedite the issuance of permits required for the development of renewable energy projects in the States from which the revenues are derived; and

(IV) 40 percent shall be deposited in the Fund.

(B) Rule for projects located in multiple States.—Not later than 180 days after the date of enactment of this Act, the Secretary shall issue a proposed rule establishing a formula for the disposition of revenues under clauses (i)(I) and (ii)(I) of subparagraph (A) in a case in which a wind and solar energy project is located in more than 1 State.

(C) Filing fees.—With respect to wind and solar energy projects—

(i) subparagraph (A) does not apply to amounts collected from application filing fees authorized under section 304 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1734); and

(ii) such application filing fees may be retained by the applicable agency to recover costs associated with issuing the right-of-way, permit, or other authorization associated with the application.

(2) Payments to States and counties.—

(A) In general.—Amounts paid to States and counties under paragraph (1)(A) shall be used consistent with section 35 of the Mineral Leasing Act (30 U.S.C. 191).

(B) Payments in lieu of taxes.—A payment to a county under subclause (I) or (II) of clause (i) or (ii) of paragraph (1)(A) shall be in addition to a payment in lieu of taxes received by the county under chapter 69 of title 31, United States Code.

(3) Renewable Energy Resource Conservation Fund.—

(A) In general.—There is established in the Treasury a fund, to be known as the "Renewable Energy Resource Conservation Fund", which shall be administered by the Secretary.

(B) Use of funds.—

(i) In general.—The Secretary may make amounts in the Fund available to Federal, State, local, and Tribal agencies for distribution in regions in which renewable energy projects are located on Federal land, for the purposes described in clause (ii).

(ii) Purposes.—The purposes referred to in clause (i) are—

(I) restoring and protecting—

(aa) fish and wildlife habitat for species affected by renewable energy projects;

(bb) fish and wildlife corridors for species affected by renewable energy projects; and

(cc) wetlands, streams, rivers, and other natural water bodies in areas affected by renewable energy projects; and

(II) preserving and improving recreational access to Federal land and water in the applicable region through an easement, right-of-way, or other instrument from willing landowners for the purpose of enhancing public access to existing Federal land and water that is inaccessible or restricted due to renewable energy projects.

(C) Cooperative agreements.—The Secretary may enter into cooperative agreements with State and Tribal agencies, nonprofit organizations, and other appropriate entities to carry out the activities described in subparagraph (B).

(D) Investment of Fund.—

(i) In general.—Any amounts deposited in the Fund shall earn interest in an amount determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities.

(ii) Use.—Any interest earned under clause (i) may be deposited into the Fund and used without further appropriation.

(E) Report to Congress.—At the end of each fiscal year, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report identifying—

(i) the amounts described in paragraph (1) that were collected during that fiscal year, organized by source;

(ii) the amount and purpose of payments made to each Federal, State, local, and Tribal agency under subparagraph (B) during that fiscal year; and

(iii) the amount remaining in the Fund at the end of the fiscal year.

(F) Intent of Congress.—It is the intent of Congress that the revenues deposited and expended from the Fund shall supplement, and not supplant, annual appropriations for activities described in subparagraph (B).

(g) Savings clause.—Notwithstanding any other provision of this section, the Secretary and the Secretary of Agriculture shall continue to manage public land under the principles of multiple use and sustained yield in accordance with title I of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) or the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), as applicable, for the purposes of land use planning, permit processing, and conducting environmental reviews.

SEC. 1215. HYDROPOWER MAINTENANCE, MODERNIZATION, AND NEXT-GENERATION DEPLOYMENT.

(a) Hydropower as an essential renewable resource.—

(1) Sense of Congress on the use of hydropower renewable resources.—It is the sense of Congress that—

(A) hydropower is a renewable resource for purposes of all Federal programs and is an essential source of energy in the United States; and

(B) the United States should protect existing hydropower resources and increase substantially the capacity and generation of clean, renewable hydropower resources to address a changing climate and improve environmental quality in the United States.

(2) Energy Policy Act of 2005.—Section 203 of the Energy Policy Act of 2005 (42 U.S.C. 15852) is amended—

(A) in subsection (a), by amending paragraphs (1) through (3) to read as follows:

"(1) Not less than 12 percent in fiscal years 2027 through 2028.

"(2) Not less than 16 percent in fiscal years 2029 through 2031.

"(3) Not less than 20 percent in fiscal year 2032 and each fiscal year thereafter.";

(B) in subsection (b)(2), by striking "or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project" and inserting "or hydropower"; and

(C) in subsection (c)—

(i) by striking paragraph (1); and

(ii) by redesignating paragraph (2) as paragraph (1).

(3) Other Federal regulations, orders, and policies.—Not later than 180 days after the date of enactment of this Act, each Federal department and agency shall submit to the

Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report demonstrating that the department or agency has amended any applicable regulation, order, or other policy of the department or agency related to renewable energy to ensure treatment of hydropower by the Federal Government consistent with the amendments made by paragraph (2).

(4) Licenses for construction.—Section 4(e) of the Federal Power Act (16 U.S.C. 797(e)), as amended by this Act, is further amended, in the first sentence, by inserting "to mitigate the effects of the applicable project on such reservation, so as to provide" after "deem necessary" in the first proviso.

(5) Operation of navigation facilities.—Section 18 of the Federal Power Act (16 U.S.C. 811), as amended by this Act, is further amended by adding before the period at the end of the first sentence "to mitigate effects of the applicable project".

(b) Protecting and promoting small and next-generation hydropower projects.—

(1) Exemptions from licensing requirements for certain small hydroelectric power projects.—Section 405 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2705) is amended by striking subsection (d) and inserting the following:

"(d) Exemptions from licensing in certain cases.—

"(1) In general.—Subject to paragraphs (2) and (3), the Commission may in its discretion, by rule or order, upon application and on a case-by-case basis or on the basis of classes or categories of projects, grant an exemption in whole or in part from the requirements, including the licensing requirements, of part I of the Federal Power Act to any small hydroelectric power project—

"(A) having a proposed installed capacity of 40 megawatts or less; or

"(B) for which a license was issued under part I of the Federal Power Act and the licensee applies for an exemption under this subsection, if—

"(i) the license was issued after the date of enactment of the Electric Consumers Protection Act of 1986;

"(ii) the Commission determines, based on information available to the Commission, that continued operation of the project is not likely to jeopardize the continued existence of any species listed as a threatened species or an endangered species under the Endangered Species Act of 1973;

"(iii) the Commission determines, based on information available to the Commission, that continued operation of the project is not likely to result in the destruction or adverse modification of an area designated as critical habitat for any species listed as a threatened species or an endangered species under the Endangered Species Act of 1973; and

"(iv) the project has an installed capacity of 40 megawatts or less.

"(2) Requirements.—An exemption granted under paragraph (1) shall be subject to the same limitations, to ensure protection for fish and wildlife as well as other environmental concerns, as those which are set forth in subsections (c) and (d) of section 30 of the Federal Power Act with respect to determinations made and exemptions granted under subsection (b) of such section 30 and subsections (c) and (d) of such section 30 shall apply with respect to actions taken and exemptions granted under this subsection.

"(3) Effects.—

"(A) In general.—Except as provided in subparagraph (B), the granting of an exemption to a project under this subsection shall in no case have the effect of waiving or limiting the application, to such project, of the second sentence of subsection (b) of this section.

"(B) Environmental review.—The Commission granting an exemption under paragraph (1) may not be considered a major Federal action under section 102(2)(C) of the National Environmental Policy Act of 1969.

"(4) Exemption process.—The Commission shall make a determination with respect to any application for an exemption under paragraph (1)(B) not later than 90 days after submission of such application, which period shall include notice and opportunity for public comment. Any exemption granted under paragraph (1)(B) shall become effective upon the expiration of the applicable existing license.".

(2) Expedited licensing of next-generation hydropower.—Part I of the Federal Power Act (16 U.S.C. 792 et seq.), as amended by this Act, is further amended by adding at the end the following:

"Sec. 37. Expedited licensing of next-generation hydropower projects.

"(a) In general.—The Commission shall issue licenses for all next-generation hydropower projects in accordance with this section.

"(b) Definitions.—In this section:

"(1) Emerging hydropower technology project.—The term 'emerging hydropower technology project' means a project that the Commission determines—

"(A) will produce electricity from a generator driven by a turbine that converts the potential energy of falling or flowing water;

"(B) will utilize turbine or generating technology, an energy storage method, or a measure to protect, mitigate, or enhance environmental resources, that is not in widespread, utility-scale use in the United States as of the date of enactment of this section;

"(C) will not be, based on information available to the Commission, likely to jeopardize the continued existence of any species listed as a threatened species or an endangered species under the Endangered Species Act of 1973; and

"(D) will not be, based on information available to the Commission, likely to result in the destruction or adverse modification of an area designated as critical habitat for any species listed as a threatened species or an endangered species under the Endangered Species Act of 1973.

"(2) Next-generation hydropower project.—The term 'next-generation hydropower project' means a project that—

"(A) may be licensed under this Act;

"(B) is not—

"(i) a qualifying conduit hydropower facility under section 30; or

"(ii) exempted from licensing under—

"(I) section 30; or

"(II) section 405 of the Public Utility Regulatory Policies Act of 1978; and

"(C) is—

"(i) an emerging hydropower technology project;

"(ii) a qualifying facility, as defined in section 34;

"(iii) a qualifying closed-loop pumped storage project, as defined in section 35;

"(iv) a marine or hydrokinetic project, including a project that utilizes a wave technology, tidal technology, or in-river technology; or

"(v) a hydropower facility within an irrigation, water supply, industrial, agricultural, or other open or closed water conduit system.

"(c) Expedited licensing process.—

"(1) Notification of intent.—

"(A) Filing of notification.—An applicant for any next-generation hydropower project shall commence the licensing process by filing a notification of intent with the Commission.

"(B) Deadline for filing.—Notwithstanding section 15(b)(1), an applicant for a next-generation hydropower project shall file a notification of intent at least 2 years before the expiration of the existing license, if applicable.

"(2) Filing of application.—

"(A) General deadline.—An applicant for a next-generation hydropower project shall submit to the Commission an application not later than 1 year after filing the notification of intent under paragraph (1).

"(B) Existing licensee deadline.—Notwithstanding section 15(c)(1), an application for any next-generation hydropower project shall be filed with the Commission at least 1 year before the expiration of the term of the existing license, if applicable.

"(3) Deadline for issuance.—The Commission shall take final action on a license for a next-generation hydropower project under this section not later than 2 years after the applicant notifies the Commission of its intent to file an application for a license, as provided under paragraph (1).

"(d) Requirements.—In issuing a license under this section the Commission and all resource agencies with regulatory responsibilities in the licensing process shall—

"(1) maximize reliance on existing studies and information and require any person or agency requesting a new study or information to demonstrate that collection of any new data or preparation of any new study will not jeopardize the Commission's ability to meet the licensing deadline under subsection (c)(3);

"(2) consider whether obligations under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by the POPULIST Act, may be met through preparation of an environmental assessment or supplementing a previously prepared environmental assessment or environmental impact statement;

"(3) eliminate any nonessential meetings, reports, and paperwork, including interim study reports and a draft license application or similar document, without compromising effective consultation with, and participation of, Federal and State resource agencies, Indian Tribes, and the public; and

"(4) consider existing project works and other infrastructure to be included in the environmental baseline.

"(e) Rule.—Not later than 90 days after the date of enactment of this section, and after consultation with the task force described in subsection (f), which 90 days shall include public notice and opportunity for comment, the Commission shall issue a rule implementing this section. Such rule shall include a process, not to exceed 60 days, for the Commission to determine on a case-by-case basis whether a proposed or existing project qualifies as a next-generation hydropower project prior to the initiation of the licensing or relicensing process.

"(f) Task force.—The Commission shall convene a task force, with appropriate Federal and State agencies, Indian Tribes, and licensees under this part represented, to coordinate the regulatory processes associated with the authorizations required to license next-generation hydropower projects pursuant to this section.".

(c) Identifying and removing market barriers to hydropower.—

(1) Report on hydropower barriers.—

(A) In general.—Not later than 270 days after the date of enactment of this Act, the Federal Energy Regulatory Commission, in consultation with the Secretary of Energy, shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report—

(i) describing any barriers to the development and proper compensation of conventional, storage, conduit, and emerging hydropower technologies caused by—

(I) rules of Transmission Organizations, as defined in section 3 of the Federal Power Act (16 U.S.C. 796);

(II) regulations or policies—

(aa) of the Commission; or

(bb) under the Federal Power Act (16 U.S.C. 791a et seq.); or

(III) other Federal and State laws and policies unique to hydropower development, operation, and regulation, as compared to other sources of electricity;

(ii) containing recommendations of the Commission for reducing barriers described in clause (i) across regulatory and market sectors;

(iii) identifying and determining any regulatory, market, procurement, or cost recovery mechanisms that would—

(I) encourage development of conventional, storage, conduit, and emerging hydropower technologies; and

(II) properly compensate conventional, storage, conduit, and emerging hydropower technologies for the full range of services provided to the electric grid, including—

(aa) balancing electricity supply and demand;

(bb) ensuring grid reliability;

(cc) providing ancillary services;

(dd) contributing to the decarbonization of the electric grid; and

(ee) integrating intermittent power sources into the grid in a cost-effective manner; and

(iv) identifying ownership and development models that could reduce barriers to the development of conventional, storage, conduit, and emerging hydropower technologies, including—

(I) opportunities for risk-sharing mechanisms and partnerships, including co-ownership models; and

(II) opportunities to foster lease-sale and lease-back arrangements with publicly owned electric utilities.

(B) Commission proceedings.—The Commission shall base the report under subparagraph (A) on the findings of the Commission in—

(i) Docket No. AD16-20;

(ii) Docket No. RM16-23; and

(iii) any other relevant proceedings.

(C) Technical conference and public comment.—In preparing the report under subparagraph (A), the Commission shall solicit public input, including by convening a technical conference and providing an opportunity for public submission of written comments on a draft report.

(2) Definitions.—In this subsection:

(A) Ancillary services.—The term "ancillary services" means the specialty services and functions provided by the electric grid that facilitate and support the continuous flow of electricity so that supply will continually meet demand, including—

(i) autonomous dynamic voltage support;

(ii) balancing;

(iii) black start capabilities;

(iv) frequency control;

(v) load following;

(vi) operating, flexibility, contingency, and other reserves;

(vii) reactive power; and

(viii) synchronized regulation.

(B) Conventional, storage, conduit, and emerging hydropower technologies.—The term "conventional, storage, conduit, and emerging hydropower technologies" means hydropower in all its forms and modes of operation, including—

(i) the use of dams or similar infrastructure to store water in a reservoir or divert flows from a waterway, and to release stored or diverted water through a turbine to generate electricity according to any mode of operation, such as run-of-river, peaking, reregulating, storage, or load following;

(ii) a configuration of 2 water reservoirs at different elevations that can generate power as water moves down through a turbine, and pump water back to the upper reservoir when the turbine operations are reversed, including both closed- and open-loop systems;

(iii) marine and hydrokinetic technologies, including wave, tidal, and in-river systems;

(iv) mini- and micro-hydropower facilities within irrigation, water supply, industrial, agricultural, or other open or closed water conduit systems; and

(v) other facilities that produce electricity from generators driven by turbines that convert the potential energy of falling or flowing water.

(d) Modernizing hydropower licensing.—Part I of the Federal Power Act (16 U.S.C. 792 et seq.), as amended by this Act, is further amended by adding at the end the following:

"Sec. 38. Licensing process coordination and improvement.

"(a) Definition of Federal authorization.—In this section, the term 'Federal authorization' means any authorization required under Federal law, including any license, condition of any license by a Secretary under section 4(e), prescription submitted by a Secretary under section 18, permit, special use authorization, certification, opinion, consultation, determination, or other approval, with respect to an application for a license under this part.

"(b) Designation as lead agency.—

"(1) In general.—The Commission shall act as the lead agency for purposes of all applicable Federal authorizations, including for purposes of complying with the National Environmental Policy Act of 1969, as amended by the POPULIST Act, and for purposes of coordinating with any required State or local environmental reviews.

"(2) Other agencies.—Each Federal, State, and local government agency considering an aspect of an application for a Federal authorization shall coordinate with the Commission and comply with the deadline established in the schedule developed for the license under this part, in accordance with the rule issued under subsection (d)(2)(C).

"(c) Use of existing studies.—

"(1) In general.—To the maximum extent practicable and in accordance with the best available science, the Commission and other Federal and State agencies with a responsibility for a Federal authorization shall—

"(A) use relevant existing studies and data; and

"(B) avoid duplicating current, existing studies that are applicable to the relevant project.

"(2) Demonstration.—When requiring any new study or collection of information, the Commission or other Federal or State agency with a responsibility for a Federal authorization shall—

"(A) explain how the new study or other information is necessary to support the agency's decisionmaking with respect to the Federal authorization;

"(B) identify how existing information reasonably available to the agency is inadequate to support the agency's decisionmaking with substantial evidence; and

"(C) include an analysis of how the value of the required new study or other information outweighs the cost of producing it.

"(d) Schedule.—

"(1) Timing for issuance.—It is the sense of Congress that, except as otherwise provided in this part, all Federal authorizations required for a project should be issued within a reasonable time, so as to facilitate a final Commission licensing decision within 2 years after the date on which the license application for the project under this part is considered to be complete by the Commission.

"(2) Commission schedule.—

"(A) In general.—The Commission, in accordance with the rule issued under subparagraph (C), shall—

"(i) establish a schedule for—

"(I) all filings and issuances necessary and appropriate for its issuance of a license issued under this part; and

"(II) the issuance of all Federal authorizations for the applicable project; and

"(ii) issue such schedule when the Commission determines that the license application for the project is ready for environmental analysis.

"(B) Requirements.—In establishing the schedule under subparagraph (A), the Commission shall—

"(i) consult and cooperate with the Federal and State agencies responsible for a Federal authorization;

"(ii) ensure the expeditious completion of all proceedings relating to a Federal authorization; and

"(iii) comply with applicable schedules established by Federal law with respect to a Federal authorization.

"(C) Rulemaking.—

"(i) Commission rulemaking to establish process to set schedule.—Not later than 180 days after the date of enactment of this section, the Commission, in consultation with appropriate Federal and State agencies and after providing notice and opportunity for public comment, shall issue a final rule establishing a process for setting a schedule under subparagraph (A).

"(ii) Considerations.—In issuing a rule under this subparagraph, the Commission shall ensure that the schedule for each Federal authorization—

"(I) includes deadlines for actions by—

"(aa) any Federal or State agency with responsibilities for a Federal authorization;

"(bb) the applicant;

"(cc) the Commission; and

"(dd) other agencies and participants in a proceeding;

"(II) is developed in consultation with the applicant and any Federal or State agency with responsibility for the applicable Federal authorization;

"(III) provides an opportunity for any Federal or State agency with responsibility for a Federal authorization to identify and resolve issues of concern, consistent with subsections (e) and (f);

"(IV) complies with applicable schedules established under Federal law;

"(V) ensures expeditious completion of all proceedings required under Federal and State law, to the maximum extent practicable; and

"(VI) facilitates completion of Federal and State agency studies, reviews, and any other procedures required prior to, or concurrent with, the preparation of the environmental document of the Commission required under the National Environmental Policy Act of 1969, as amended by the POPULIST Act, to the maximum extent practicable.

"(3) Adherence to schedule.—

"(A) In general.—The Commission, Federal, and State agencies with responsibility for a Federal authorization, the license applicant, and all other agencies and other participants in proceedings for Federal authorizations for the project shall meet the deadlines established by the schedule developed under paragraph (2).

"(B) Extension of schedule deadlines.—

"(i) Federal authorizations.—A Federal or State agency that is unable to complete its disposition of a Federal authorization by the deadline set forth in the schedule established by the Commission under paragraph (2) shall, not later than 30 days prior to such deadline, file for an extension with the Commission. The Commission shall issue a one-time extension of up to 90 days to any such Federal or State agency upon a demonstration of good cause.

"(ii) Other extensions.—The Commission may grant extensions requested by the license applicant or other licensing participants to facilitate settlement, address unforeseen circumstances, or accommodate other showings of good cause if the Commission determines that any such extension would reduce the overall time period for decisionmaking on required Federal authorizations for the project, increase the administrative efficiency of the processes for Federal authorizations, or improve the quality of information available to Federal and State agencies with a responsibility for a Federal authorization.

"(iii) Reissuance of schedule.—If the Commission grants an extension under this paragraph, the Commission shall reissue the schedule and applicable deadlines to reflect the extension of time granted.

"(C) Limitation.—Notwithstanding the Commission's authority to extend the schedule as provided in subparagraph (B), the Commission shall not grant any extension that would increase by 1 year or longer the time period in the original schedule issued under paragraph (2) for obtaining all Federal authorizations for the applicable project.

"(4) Failure to meet schedule deadlines.—

"(A) In general.—Subject to subparagraph (C), if a Federal or State agency fails to complete its disposition of a Federal authorization in accordance with the schedule deadline established under paragraph (2), as may be extended under paragraph (3)—

"(i) in the case of a Federal agency, $5,000 of unobligated funds shall be rescinded; or

"(ii) in the case of a State agency, $5,000 of unobligated funds shall be rescinded from Federal fish and wildlife or water resources funding programs to the State.

"(B) Subsequent rescission.—Subject to subparagraph (C), for each additional week after any deadline established by the Commission under paragraph (2), as may be extended under paragraph (3), remains uncompleted by a Federal or State agency with a responsibility for a Federal authorization, an additional rescission of $5,000 shall occur as provided in subparagraph (A).

"(C) Maximum annual rescission.—For each individual Federal authorization for a project, the total amounts rescinded under subparagraphs (A) and (B) shall not exceed, in any fiscal year, $100,000.

"(D) Limitation.—No head of a Federal or State department or agency shall reprogram funds from another Federal account or program for the loss of the funds under this paragraph. No head of a Federal or State agency shall report or include any rescinded funds as an administrative cost for purposes of annual charges under section 10(e).

"(e) Inconsistent or conflicting license terms.—

"(1) Consultation to resolve inconsistency or conflict.—

"(A) In general.—If a term or condition of a Federal authorization submitted for inclusion in a license under this part conflicts or is otherwise inconsistent with another such term or condition, the Commission shall initiate and facilitate consultation between the Federal or State resource agencies submitting conflicting or inconsistent terms or conditions, to attempt to resolve the inconsistency or conflict, including with any such conditions recommended for inclusion in the license by the Commission.

"(B) Meetings.—The consultation period under this subsection shall extend up to 90 days and shall include at least 1 technical conference or similar meeting. The Commission shall issue notice of any such conference or other consultation meeting, which shall be open to participation by the license applicant, other agencies, and other licensing participants.

"(C) Amendment and reissuance.—If the agencies submitting the terms or conditions resolve the inconsistency or conflict, the Commission and other consulting agencies shall set a reasonable schedule and deadline, that is not later than 90 days after the conclusion of the consultation, for the agencies to amend and reissue their Federal authorizations to reflect the resolution, as appropriate.

"(2) Resolution of inconsistency or conflict.—

"(A) Statements.—If agencies are unable to resolve an inconsistency or conflict under paragraph (1), not later than 30 days after the conclusion of the consultation process under such paragraph, the agencies shall submit to the public record maintained by the Commission a statement that identifies the inconsistency or conflict, explains the position taken by each agency causing the inconsistency or conflict, and provides an analysis, supported by information in the public record, of the factual basis for the inconsistent or conflicting position taken by each agency.

"(B) Referral.—Following such submission, the Commission shall refer the matter for resolution as provided in subsection (f).

"(f) Resolution of interagency disputes.—

"(1) Referral to OMB.—For any dispute under subsection (c), (d), or (e) among Federal and State agencies with responsibility for a Federal authorization, as well as any dispute between any such agency and the license applicant, the Commission may, upon its own motion or the request of the head of any such agency or the license applicant, refer the matter to the Director of the Office of Management and Budget.

"(2) Action by OMB.—With respect to any dispute referred to the Director under paragraph (1), the Director, in consultation with the Chair of the Council on Environmental Quality, shall act as appropriate—

"(A) to ensure timely participation;

"(B) to ensure a timely decision;

"(C) to mediate the dispute; or

"(D) to refer the matter to the President.

"(3) Participation.—The license applicant and other interested participants shall be provided the opportunity to participate in the resolution of any issues under this subsection.".

(e) Hydropower development at existing nonpowered dams and closed-loop pumped storage.—

(1) Promoting hydropower development at existing nonpowered dams.—Section 34 of the Federal Power Act (16 U.S.C. 823e), as amended by this Act, is further amended—

(A) by amending subsection (a) to read as follows:

"(a) In general.—The Commission may issue a license under section 37 for any facility the Commission determines is a qualifying facility.";

(B) by striking subsections (b) and (c); and

(C) by redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

(2) Closed-loop pumped storage projects.—Section 35 of the Federal Power Act (16 U.S.C. 823f), as amended by this Act, is further amended—

(A) by amending subsection (a) to read as follows:

"(a) In general.—The Commission may issue a license under section 37 for any project the Commission determines is a qualifying closed-loop pumped storage project.";

(B) by striking subsections (b), (c), (e), (g), and (h);

(C) by redesignating subsections (d) and (f) as subsections (b) and (c), respectively; and

(D) by adding at the end the following:

"(d) No license required for certain projects.—Notwithstanding section 23(b), a closed-loop pumped storage project shall not be required to be licensed under this part if the closed-loop pumped storage project—

"(1) is not located upon any part of the public lands or reservations of the United States; and

"(2) does not use a federally owned dam or reservoir.

"(e) Definitions.—For purposes of this section:

"(1) Closed-loop pumped storage project.—The term 'closed-loop pumped storage project' means a project for the generation of electric power—

"(A) that—

"(i) is configured to use 2 or more natural or artificial reservoirs or other water bodies at different elevations; and

"(ii) can generate electric power as water moves down through a turbine and recharge by pumping water to the upper reservoir;

"(B) that will be constructed, operated, and maintained for the generation of electric power in a manner that ensures that the upper and lower reservoirs or other water bodies do not impound any stream channel of any surface body of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States; and

"(C) in which any infrastructure connecting a project reservoir and a natural surface waterway is used for the sole purpose of the initial fill and periodic recharge of reservoirs needed for project operation.

"(2) Qualifying closed-loop pumped storage project.—The term 'qualifying closed-loop pumped storage project' means a closed-loop pumped storage project that, as of the date of enactment of the POPULIST Act, is not licensed under, or exempted from the license requirements contained in, this part.

"(f) Savings clauses.—Nothing in this section affects—

"(1) any requirement of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), or the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by the POPULIST Act, that may apply to the construction, operation, or maintenance of a closed-loop pumped storage project; or

"(2) except as provided in subsection (d), any authority of the Commission to license a closed-loop pumped storage project under this part.".

(f) Credit for maintaining and enhancing hydroelectric facilities.—

(1) In general.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 48E the following new section:

"Sec. 48F. Credit for maintaining and enhancing hydroelectric facilities.

"(a) In general.—For purposes of section 46, the credit for maintaining and enhancing hydroelectric facilities for any taxable year is an amount equal to 30 percent of the basis of any hydropower improvement property placed in service during such taxable year.

"(b) Certain progress expenditure rules made applicable.—Rules similar to the rules of subsections (c)(4) and (d) of section 46, as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990, shall apply for purposes of subsection (a).

"(c) Hydropower improvement property.—In this section, the term 'hydropower improvement property' means property which—

"(1) adds or improves fish passage at a qualified dam,

"(2) maintains or improves the quality of the water retained or released by a qualified dam,

"(3) promotes downstream sediment transport processes and habitat maintenance with respect to a qualified dam,

"(4) is part of a marine energy technology project or a marine energy project, or

"(5) places into service an approved remote dam.

"(d) Other definitions.—In this section:

"(1) Approved remote dam.—The term 'approved remote dam' means—

"(A) a hydroelectric dam which—

"(i) exclusively services communities not interconnected to the Electric Reliability Council of Texas, the Eastern Interconnection, or the Western Interconnection,

"(ii) does not contribute to atmospheric pollution, and

"(iii) has a maximum net output of not greater than 40 megawatts, and

"(B) any interconnection property associated with a dam described in subparagraph (A).

"(2) Commission.—The term 'Commission' means the Federal Energy Regulatory Commission.

"(3) Fish passage.—The term 'fish passage' means, with respect to any qualified dam, any new or upgraded turbine, fishway, or other fish passage technology which improves fish migration and survival rates.

"(4) Interconnection property.—The term 'interconnection property' means any tangible property—

"(A) (i) with respect to any dam described in paragraph (1)(A), to enable the delivery of electricity from such dam to any customer, or

"(ii) with respect to any project described in paragraph (5)(A) or (6)(A), to enable the delivery of electricity from such project to any customer, and

"(B) which satisfies the requirements under clauses (ii) and (iii) of section 48(a)(8)(B).

"(5) Marine energy project.—The term 'marine energy project' means—

"(A) a project which produces electricity from—

"(i) waves, tides, and currents in oceans, estuaries, and tidal areas,

"(ii) free flowing water in rivers, lakes, streams, and man-made channels,

"(iii) differentials in salinity and pressure gradients, or

"(iv) differentials in water temperature, including ocean thermal energy conversion, and

"(B) any interconnection property associated with a project described in subparagraph (A).

"(6) Marine energy technology project.—The term 'marine energy technology project' means—

"(A) a project which the Commission determines—

"(i) will produce electricity from a generator that converts the potential energy of flowing water,

"(ii) will utilize a generating technology that is not in widespread, utility scale use in the United States as of the date of enactment of this section,

"(iii) will not be, based on information available to the Commission, likely to jeopardize the continued existence of any species listed as a threatened species or an endangered species under the Endangered Species Act of 1973, and

"(iv) will not be, based on information available to the Commission, likely to result in the destruction or adverse modification of an area designated as critical habitat for

any species listed as a threatened species or an endangered species under such Act, and

"(B) any interconnection property associated with a project described in subparagraph (A).

"(7) Qualified dam.—The term 'qualified dam' means a hydroelectric dam that is licensed by the Commission or legally operating without such a license before the date of enactment of this section.".

(2) Elective payment and transfer of credit.—

(A) Elective payment.—Section 6417 of the Internal Revenue Code of 1986 is amended—

(i) in subsection (b), by adding at the end the following:

"(13) The credit for maintaining and enhancing hydroelectric facilities under section 48F.";

(ii) in subsection (d)(1)—

(I) in subparagraph (E), by striking "(C), or (D)" each place it appears and inserting "(C), (D), or (E)";

(II) by redesignating subparagraph (E), as amended by subclause (I), as subparagraph (F); and

(III) by inserting after subparagraph (D) the following:

"(E) Election with respect to credit for maintaining and enhancing hydroelectric facilities.—If a taxpayer other than an entity described in subparagraph (A) makes an election under this subparagraph with respect to any taxable year in which such taxpayer has, after December 31, 2022, placed in service hydropower improvement property, as defined in section 48F(c), such taxpayer shall be treated as an applicable entity for purposes of this section for such taxable year, but only with respect to the credit described in subsection (b)(13).".

(B) Transfer.—Section 6418(f)(1)(A) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"(xii) The credit for maintaining and enhancing hydroelectric facilities under section 48F.".

(3) Conforming amendments.—

(A) Section 46 of the Internal Revenue Code of 1986 is amended—

(i) in paragraph (6), by striking "and" at the end;

(ii) in paragraph (7), by striking the period at the end and inserting ", and"; and

(iii) by adding at the end the following:

"(8) the credit for maintaining and enhancing hydroelectric facilities.".

(B) Section 49(a)(1)(C) of such Code is amended—

(i) in clause (vii), by striking "and" at the end;

(ii) in clause (viii), by striking the period at the end and inserting ", and"; and

(iii) by adding at the end the following:

"(ix) the basis of any hydropower improvement property under section 48F.".

(C) Section 50 of such Code is amended—

(i) in subsection (a)(2)(E), as amended by section 13702(b) of Public Law 117-169, by striking "or 48E(e)" and inserting "48E(e), or 48F(b)"; and

(ii) in subsection (d)(2)—

(I) in the matter preceding subparagraph (A), by inserting "or any hydropower improvement property, as defined in section 48F(c)," after "any energy storage technology (as defined in section 48(c)(6))"; and

(II) in subparagraph (B), by striking "energy storage technology" each place it appears and inserting "energy storage technology or hydropower improvement property".

(D) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48E the following new item:

"Sec. 48F. Credit for maintaining and enhancing hydroelectric facilities.".

(4) Effective date.—The amendments made by this subsection shall apply to property placed in service after December 31, 2022.

SEC. 1216. GEOTHERMAL AND RENEWABLE ENERGY PERMITTING REFORM.

(a) Definitions.—In this section:

(1) Eligible project.—The term "eligible project" has the meaning given the term in section 3101 of the Energy Act of 2020 (43 U.S.C. 3001).

(2) Previously disturbed or developed.—The term "previously disturbed or developed" has the meaning given the term in section 1021.410(g)(1) of title 10, Code of Federal Regulations, or successor regulations.

(b) Deadline for consideration of applications for rights-of-way.—

(1) Completeness of review.—

(A) In general.—Not later than 30 days after the date on which the Secretary of the Interior or the Secretary of Agriculture, as applicable, receives an application for a right-of-way under section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) for an eligible project, the applicable Secretary shall—

(i) notify the applicant that the application is complete; or

(ii) notify the applicant that information is missing from the application and specify any information that is required to be submitted for the application to be complete.

(B) Environmental impact statement.—For an eligible project that requires an environmental impact statement for an application submitted under subparagraph (A), the Secretary of the Interior or the Secretary of Agriculture, as applicable, shall issue a notice of intent not later than 90 days after the date on which the applicable Secretary determines that an application is complete under subparagraph (A).

(2) Cost recovery and issuance or deferral.—

(A) In general.—Not later than 30 days after the date on which an applicant submits a complete application for a right-of-way under paragraph (1), the Secretary of the Interior or the Secretary of Agriculture, as applicable, shall, if a cost recovery agreement is required under section 2804.14 of title 43, Code of Federal Regulations, or successor regulations, or section 251.58 of title 36, Code of Federal Regulations, or successor regulations, issue a cost recovery agreement.

(B) Decision.—Not later than 30 days after the date on which an applicant submits a complete application for a right-of-way under paragraph (1), the Secretary of the Interior or the Secretary of Agriculture, as applicable, shall—

(i) grant or deny the application, if the requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, and any other applicable law have been completed; or

(ii) defer the decision on the application and provide to the applicant notice—

(I) that specifies steps that the applicant can take for the decision on the application to be issued; and

(II) of a list of actions that need to be taken by the agency in order to comply with applicable law, and timelines and deadlines for completing those actions.

(c) Low-disturbance activities for renewable energy projects.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, to facilitate timely permitting of eligible projects, the Secretary of the Interior and the Secretary

of Agriculture shall each develop or adopt 1 or more categorical exclusions, including allowing for extraordinary circumstances under which the categorical exclusion shall not be available, under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, for low-disturbance activities necessary for renewable energy projects.

(2) Activities described.—Low-disturbance activities referred to in paragraph (1) are the following:

(A) Individual surface disturbances of less than 5 acres that have undergone site-specific analysis in a document prepared pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, that has been previously completed.

(B) Activities at a location at which the same type of activity has previously occurred within 5 years prior to the date of commencement of the activity.

(C) Activities on previously disturbed or developed land for which an approved land use plan or any environmental document prepared pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, analyzed such activity as reasonably foreseeable, so long as such plan or document was approved within 5 years prior to the date of the activity.

(D) The installation, modification, operation, or removal of commercially available solar photovoltaic systems located on—

(i) a building or other structure, including a rooftop, parking lot, or facility, or mounted to signage, lighting, gates, or fences; or

(ii) previously disturbed or developed land comprising less than 10 acres.

(E) Maintenance of a minor activity, other than any construction or major renovation, or a building or facility.

(F) Preliminary geotechnical investigations.

(G) The construction and removal of meteorological evaluation towers.

(d) Renewable energy project review standards.—Section 3102 of the Energy Act of 2020 (43 U.S.C. 3002), as amended by this Act, is further amended—

(1) in subsection (a), in the second sentence, by inserting "sufficient to achieve goals for renewable energy production on Federal land established under section 3104" before the period at the end;

(2) by redesignating subsections (f) and (g), as redesignated by section 1214(d)(1)(A), as subsections (h) and (i), respectively; and

(3) by inserting after subsection (e), as added by section 1214(d)(1)(B), the following:

"(f) Renewable energy project review standards.—Not later than 2 years after the date of enactment of this subsection, for the purpose of encouraging standardized reviews and facilitating the permitting of eligible projects, the National Renewable Energy Coordination Office of the Bureau of Land Management shall promulgate renewable energy project review standards to be adopted by regional renewable energy coordination offices.

"(g) Clarification of existing authority.—Under section 307 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1737), the Secretary may accept donations from renewable energy companies to improve community engagement for the permitting of energy projects.".

(e) Preliminary geothermal activities.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall each develop or adopt 1 or more categorical exclusions, including allowing for extraordinary circumstances under which the categorical exclusion shall not be available, under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, for individual disturbances of less than 10 acres for activities required to test, monitor, calibrate, explore, or confirm geothermal resources, provided those activities do not involve—

(1) the commercial production of geothermal resources;

(2) the use of geothermal resources for commercial operations; or

(3) construction of permanent roads.

(f) Annual leasing.—Section 4(b) of the Geothermal Steam Act of 1970 (30 U.S.C. 1003(b)) is amended—

(1) in paragraph (2), by striking "every 2 years" and inserting "per year"; and

(2) by adding at the end the following:

"(5) Replacement sales.—If a lease sale under this section for a year is cancelled or delayed, the Secretary shall conduct a replacement sale not later than 180 days after the date of the cancellation or delay, as applicable, and the replacement sale may not be cancelled or delayed.".

(g) Deadlines for consideration of geothermal drilling permits.—Section 4 of the Geothermal Steam Act of 1970 (30 U.S.C. 1003) is amended by adding at the end the following:

"(h) Deadlines for consideration of geothermal drilling permits.—

"(1) In general.—Not later than 10 days after the date on which the Secretary receives an application for any geothermal drilling permit, the Secretary shall—

"(A) provide written notice to the applicant that the application is complete; or

"(B) notify the applicant that information is missing from the application and specify any information that is required to be submitted for the application to be complete.

"(2) Decision.—Not later than 30 days after the date on which an applicant submits a complete application for a geothermal drilling permit under paragraph (1), the Secretary shall—

"(A) grant or deny the application, if the requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, and any other applicable law have been completed; or

"(B) defer the decision on the application and provide to the applicant notice—

"(i) that specifies steps that the applicant can take for the decision on the application to be issued; and

"(ii) of a list of actions that need to be taken by the agency in order to comply with applicable law, and timelines and deadlines for completing those actions.".

(h) Cost recovery authority.—Section 24 of the Geothermal Steam Act of 1970 (30 U.S.C. 1023) is amended by adding at the end the following:

"The Secretary shall, not later than 180 days after the date of enactment of this section, promulgate rules for cost recovery, to be paid by permit applicants or lessees, to facilitate the timely coordination and processing of leases, permits, and authorizations and to reimburse the Secretary for all reasonable administrative costs incurred from the inspection and monitoring of activities thereunder.".

(i) Federal permitting process.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior shall promulgate regulations and establish a Federal permitting process to allow for simultaneous, concurrent consideration of multiple phases of a geothermal project, including—

(1) surface exploration;

(2) geophysical exploration, including well drilling;

(3) production well drilling; and

(4) use of geothermal resources, including power plant construction.

(j) Geothermal production parity.—Section 390 of the Energy Policy Act of 2005 (42 U.S.C. 15942) is amended—

(1) in subsection (a)—

(A) by striking "(NEPA)" and inserting "(42 U.S.C. 4321 et seq.) (referred to in this section as 'NEPA')";

(B) by inserting "(30 U.S.C. 181 et seq.)" after "Mineral Leasing Act"; and

(C) by inserting ", or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) for the purpose of exploration or development of geothermal resources" before the period at the end; and

(2) in subsection (b)—

(A) in paragraph (2), by striking "oil or gas" and inserting "oil, gas, or geothermal resources"; and

(B) in paragraph (3), by striking "oil or gas" and inserting "oil, gas, or geothermal resources".

(k) Geothermal Ombudsman and Permitting Task Force.—

(1) Definitions.—In this subsection:

(A) Geothermal authorization.—The term "geothermal authorization" means any license, permit, approval, finding, determination, or other administrative decision issued by the Bureau of Land Management and any interagency consultation that is required or authorized under Federal law in order to site, construct, reconstruct, or commence operations of a geothermal energy project administered by the Bureau of Land Management.

(B) Geothermal energy project.—The term "geothermal energy project" means a project wholly or partially located on public land that uses geothermal energy to generate heat or electricity.

(C) Public land.—The term "public land" means land subject to geothermal leasing under section 3 of the Geothermal Steam Act of 1970 (30 U.S.C. 1002).

(D) Secretary.—The term "Secretary" means the Secretary of the Interior.

(E) Task Force.—The term "Task Force" means the Geothermal Permitting Task Force established under paragraph (3).

(2) Geothermal Ombudsman.—

(A) In general.—Not later than 60 days after the date of enactment of this Act, the Secretary shall appoint from within the Bureau of Land Management a Geothermal Ombudsman.

(B) Duties.—The Geothermal Ombudsman appointed under subparagraph (A) shall—

(i) act as a liaison between—

(I) the individual field, district, and State offices of the Bureau of Land Management;

(II) the Division Chief of the National Renewable Energy Coordination Office of the Bureau of Land Management; and

(III) the Director of the Bureau of Land Management;

(ii) provide dispute resolution services between the individual field, district, and State offices of the Bureau of Land Management and applicants for geothermal authorizations;

(iii) monitor and facilitate permit processing practices and timelines across individual field offices of the Bureau of Land Management;

(iv) develop best practices for the permitting and leasing process for geothermal resources; and

(v) coordinate with the Federal Permitting Improvement Steering Council.

(3) Geothermal Permitting Task Force.—

(A) Establishment.—Not later than 60 days after the date of enactment of this Act, the Secretary shall establish within the Bureau of Land Management a Geothermal Permitting Task Force.

(B) Leadership.—The Task Force shall be headed by the Geothermal Ombudsman appointed under paragraph (2).

(C) Permitting support.—The Task Force shall support the duties of the Geothermal Ombudsman appointed under paragraph (2).

(D) Cross-office personnel assignments.—

(i) In general.—In their capacity as head of the Task Force, the Geothermal Ombudsman may coordinate with any Departmental bureau or office to assign personnel with relevant expertise to assist with completion of geothermal authorizations in field, district, or State offices other than the official duty station where such personnel are located if—

(I) the Departmental bureau or office determines that such assignment will not materially delay ongoing completion of authorizations within the office where the employee is located; and

(II) approval is received from the head of the official duty station where the assigned employee is located.

(ii) Assigned personnel requirements.—Departmental personnel assigned to assist with completion of geothermal authorizations under clause (i) shall—

(I) work in-person full-time at an official Departmental office;

(II) if necessary as determined by the Geothermal Ombudsman, travel to the Bureau of Land Management field, district, or State office with jurisdiction over the geothermal authorization to which the employee has been assigned by the Geothermal Ombudsman;

(III) participate as part of the team of personnel working on geothermal authorizations to which the employee has been assigned by the Geothermal Ombudsman; and

(IV) regularly report to the head of the field, district, or State office of the Bureau of Land Management with jurisdiction over geothermal authorizations to which the employee has been assigned by the Geothermal Ombudsman.

(iii) Retention allowances.—

(I) In general.—Subject to the availability of appropriations, the Geothermal Ombudsman may pay a retention allowance to an employee assigned to assist with the completion of geothermal authorizations under clause (i). Retention allowances—

(aa) shall be stated as the percentage of the rate of basic pay of an employee, and may not exceed 25 percent of such rate of basic pay;

(bb) may not be considered to be part of the basic pay of an employee, and the reduction or elimination of a retention allowance may not be appealed; and

(cc) shall be paid at the same time and in the same manner as the employee's basic pay is paid.

(II) Considerations.—In exercising the retention allowance authority described in subclause (I), the Geothermal Ombudsman shall consider—

(aa) an employee's specialized expertise related to geothermal authorizations;

(bb) the demonstrated need to retain an employee to meet the performance improvement objectives for geothermal authorization timelines and develop best practices for completion of geothermal authorizations; and

(cc) the difficulty in recruiting or replacing qualified personnel with relevant expertise related to geothermal authorizations.

(iv) Savings clause.—Cross-office personnel assignments carried out under this subparagraph shall not alter the underlying jurisdiction of other offices of the Bureau of Land Management over applicable geothermal authorizations.

(4) Report.—The Geothermal Ombudsman shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives an annual report that describes the activities of the Task Force and evaluates the effectiveness of geothermal permit processing during the preceding 1-year period.

SEC. 1217. ADVANCED NUCLEAR FLEET LICENSING.

(a) Definitions.—In this section:

(1) Advanced nuclear reactor.—The term "advanced nuclear reactor" has the meaning given such term in section 3 of the Nuclear Energy Innovation and Modernization Act (42 U.S.C. 2215 note; Public Law 115–439).

(2) Approved standard design.—The term "approved standard design" means a standard design for a nuclear reactor that has received a standard design approval, standard design certification, manufacturing license, or other approval from the Commission under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) or regulations issued under that Act that expressly resolves generic design issues for repeated construction, manufacturing, deployment, or operation.

(3) Commission.—The term "Commission" means the Nuclear Regulatory Commission.

(4) Complete application.—The term "complete application" means an application that the Commission determines contains sufficient information for the Commission to begin safety, security, environmental, and technical review.

(5) Fleet license.—The term "fleet license" means a license, approval, permit, certification, or other authorization issued by the Commission that authorizes, or establishes a standardized process for authorizing, construction or operation of multiple nuclear reactors using the same approved standard design.

(6) Material safety information.—The term "material safety information" means information that was not available to the Commission at the time an approved standard design was approved and that demonstrates a specific and significant risk to public health, safety, common defense and security, or the environment.

(7) Site-specific safety review.—The term "site-specific safety review" means the portion of Commission review that evaluates whether a nuclear reactor using an approved standard design may be safely and securely constructed or operated at a particular site.

(8) Standard design.—The term "standard design" means a nuclear reactor design intended for repeated construction, manufacturing, deployment, or operation at more than 1 site.

(b) Fleet licensing pathway.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Commission shall establish, by rule, order, guidance, or other appropriate regulatory action, a fleet licensing pathway for advanced nuclear reactors using an approved standard design.

(2) Requirements.—The fleet licensing pathway established under paragraph (1) shall—

(A) allow an applicant to seek approval for multiple reactors using the same approved standard design;

(B) allow an applicant to reference an approved standard design in an application for a construction permit, operating license, combined license, manufacturing license, early site permit, standard design approval, standard design certification, or other authorization;

(C) establish standardized application requirements for repeat deployment of an approved standard design;

(D) identify the generic design issues that shall be resolved through approval of the standard design;

(E) identify the site-specific issues that shall remain subject to site-specific safety review;

(F) minimize duplication of review for reactors using an approved standard design;

(G) provide for coordinated review of related applications submitted by the same applicant or by affiliated applicants; and

(H) preserve the authority of the Commission to impose any condition necessary to protect public health, safety, common defense and security, or the environment.

(3) Nonproliferation and fuel-cycle considerations.—In establishing and implementing the fleet licensing pathway under paragraph (1), the Commission shall, consistent with the protection of public health, safety, common defense and security, and the environment, consider whether an approved standard design minimizes weapons-proliferation risk, safeguards-sensitive material handling, and unnecessary production, separation, or accumulation of weapons-usable nuclear material.

(c) Design-once rule.—

(1) In general.—In reviewing an application for a reactor using an approved standard design, the Commission may not require relitigation, reconsideration, duplication, or repetition of a generic design issue resolved in the approval of the approved standard design.

(2) Exception.—The Commission may reconsider a generic design issue described in paragraph (1) only if the Commission determines, based on material safety information and

supported by substantial evidence, that reconsideration is necessary to protect public health, safety, common defense and security, or the environment.

(3) Scope.—Nothing in this subsection shall limit the authority of the Commission to conduct a site-specific safety review.

(d) Site-specific review preserved.—

(1) In general.—Each reactor authorized through the fleet licensing pathway established under subsection (b) shall remain subject to a site-specific safety review.

(2) Contents.—A site-specific safety review under paragraph (1) shall include review of—

(A) seismic, flooding, wildfire, extreme weather, hydrological, geological, and other site hazards;

(B) emergency planning and emergency preparedness requirements applicable to the site;

(C) physical security, cybersecurity, and common defense and security requirements applicable to the site;

(D) cooling, water availability, water discharge, and thermal-impact issues applicable to the site;

(E) offsite power, electrical interconnection, and grid-reliability issues relevant to safe construction or operation of the reactor at the site;

(F) environmental impacts required to be considered under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act;

(G) population, land use, evacuation, and surrounding-infrastructure characteristics applicable to the site; and

(H) any other site-specific matter the Commission determines necessary to protect public health, safety, common defense and security, or the environment.

(e) Licensing deadlines.—

(1) Completeness determination.—Not later than 60 days after receiving an application under the fleet licensing pathway established under subsection (b), the Commission shall determine whether the application is complete.

(2) Final action.—Except as provided in paragraph (3), not later than 18 months after determining that an application under paragraph (1) is complete, the Commission shall issue a final decision approving, approving with conditions, or denying the application.

(3) Extension.—The Commission may extend the deadline under paragraph (2) for not more than 180 days if the Commission determines, in writing and based on substantial

evidence, that additional time is necessary to resolve a specific safety, security, environmental, or technical issue that cannot reasonably be resolved within the deadline under paragraph (2).

(4) Applicant delay.—Any period during which the Commission is unable to proceed because the applicant has failed to provide information requested by the Commission shall not count toward the deadline under paragraph (2).

(f) Use of Federal demonstration and testing information.—

(1) In general.—In reviewing an application under this section, the Commission shall, to the maximum extent practicable, rely on safety, security, performance, fuel, materials, operational, and testing information developed through a reactor demonstration, test reactor, prototype, pilot project, or fuel qualification activity carried out by or in partnership with the Department of Energy, the Department of Defense, a National Laboratory, or another Federal agency.

(2) Limitation.—Nothing in this subsection shall be construed to require the Commission to accept information that the Commission determines is inadequate, incomplete, unreliable, or insufficient to protect public health, safety, common defense and security, or the environment.

(g) Environmental review coordination.—

(1) Generic environmental issues.—The Commission shall, to the maximum extent practicable, resolve generic environmental issues associated with an approved standard design through programmatic environmental documents, generic environmental impact statements, environmental assessments, or other reusable environmental review documents.

(2) Site-specific environmental issues.—The Commission shall limit site-specific environmental review for a reactor using an approved standard design to environmental issues that are specific to the site or that were not previously resolved in a document described in paragraph (1).

(3) No waiver of environmental law.—Nothing in this subsection shall be construed to waive the requirements of the National Environmental Policy Act of 1969, as amended by this Act, or any other Federal environmental law.

(h) No safety override.—Nothing in this section shall be construed to limit the authority of the Commission to deny, condition, suspend, modify, or revoke any license, permit, certification, approval, or other authorization if the Commission determines such action is necessary to protect public health, safety, common defense and security, or the environment.

(i) Annual report.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Commission shall submit to Congress and make publicly available a report that—

(1) identifies each application submitted under the fleet licensing pathway established under subsection (b);

(2) identifies each application approved, approved with conditions, denied, withdrawn, or pending during the preceding calendar year;

(3) identifies the average and median time required for completeness determinations and final decisions;

(4) identifies each instance in which the Commission extended a deadline under subsection (e)(3);

(5) identifies the principal causes of delay in licensing reactors using approved standard designs;

(6) identifies staffing, technical, regulatory, fuel, supply-chain, or other barriers to timely review of applications under this section; and

(7) recommends any administrative or legislative action necessary to improve safe and timely deployment of advanced nuclear reactors using approved standard designs.

PART I—TRANSMISSION, GRID MODERNIZATION, AND DISTRIBUTED POWER

SEC. 1221. STREAMLINING INTERSTATE TRANSMISSION OF ELECTRICITY.

Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding at the end the following:

"Sec. 224. Siting of certain interstate electric transmission facilities.

"(a) Definitions.—In this section:

"(1) Affected landowner.—

"(A) In general.—The term 'affected landowner' includes each owner of a property interest in land or other property described in subparagraph (B), including—

"(i) the Federal Government;

"(ii) a State or local government; and

"(iii) each owner noted in the most recent county or city tax record as receiving the relevant tax notice with respect to that interest.

"(B) Land and other property described.—The land or other property referred to in subparagraph (A) is any land or other property—

"(i) that is or will be crossed by the energy transmission facility proposed to be constructed or modified under the applicable certificate of public convenience and necessity;

"(ii) that is or will be used as a facility site with respect to the energy transmission facility proposed to be constructed or modified under the applicable certificate of public convenience and necessity;

"(iii) that abuts any boundary of an existing right-of-way or other facility site that—

"(I) is owned by an electric utility; and

"(II) is located not more than 500 feet from the energy transmission facility to be constructed or modified under the applicable certificate of public convenience and necessity;

"(iv) that abuts the boundary of a proposed facility site for the energy transmission facility to be constructed or modified under the applicable certificate of public convenience and necessity;

"(v) that is crossed by, or abuts any boundary of, an existing or proposed right-of-way that—

"(I) will be used for the energy transmission facility to be constructed or modified under the applicable certificate of public convenience and necessity; and

"(II) is located not more than 500 feet from the proposed location of that energy transmission facility; or

"(vi) on which a residence is located not more than 500 feet from the boundary of any right-of-way for that energy transmission facility.

"(2) Alternating current transmission facility.—The term 'alternating current transmission' facility means a transmission facility that uses alternating current for the bulk transmission of electric energy.

"(3) Energy transmission facility.—The term 'energy transmission facility' means—

"(A) an alternating current transmission facility; or

"(B) a high-voltage direct current transmission facility.

"(4) Facility site.—The term 'facility site' includes—

"(A) a right-of-way;

"(B) an access road;

"(C) a contractor yard; and

"(D) any temporary workspace.

"(5) High-voltage direct current transmission facility.—The term 'high-voltage direct current transmission facility' means a transmission facility that uses direct current for the bulk transmission of electric energy.

"(6) Tribal land.—The term 'Tribal land' has the meaning given the term 'Indian land' in section 2601 of the Energy Policy Act of 1992 (25 U.S.C. 3501).

"(b) Certificate of public convenience and necessity.—

"(1) In general.—On receipt of an application under subsection (c)(1) relating to an energy transmission facility described in paragraph (2), the Commission, after making the finding described in paragraph (3), shall issue to any person, by publication in the Federal Register, a certificate of public convenience and necessity for the construction, modification, operation, or abandonment of that energy transmission facility, subject to such reasonable terms and conditions as the Commission determines appropriate.

"(2) Energy transmission facility described.—An energy transmission facility referred to in paragraph (1) is an energy transmission facility that—

"(A) traverses not fewer than 2 States; and

"(B) has a power capacity of not less than 1,000 megawatts or 1,000 megavolt-amperes.

"(3) Required finding.—The finding referred to in paragraph (1) is that—

"(A) the applicant is able and willing to carry out the proposed activities in compliance with this part and Commission regulations;

"(B) the facility will be used for the transmission of electric energy in interstate commerce; and

"(C) operation of the energy transmission facility as proposed in the application—

"(i) will enable renewable energy use, reduce congestion, improve reliability, or increase interregional transfer capability;

"(ii) will maximize, to the extent reasonable and economical, the use of—

"(I) existing facility sites; and

"(II) the transmission capabilities of existing energy transmission facilities; and

"(iii) will, to the extent practicable, minimize the use of eminent domain.

"(c) Applications.—

"(1) In general.—An application for a certificate shall be submitted at such time, in such manner, and with such information as the Commission requires.

"(2) Required contents.—An application shall include all information necessary for the Commission to make the finding described in subsection (b)(3).

"(d) Notice to affected landowners.—

"(1) In general.—The Commission shall provide written notice of an application to all affected landowners.

"(2) Contents.—Each notice shall include the information specified by the Commission by rule.

"(e) Regulatory jurisdiction.—

"(1) In general.—Except as provided in paragraph (2), the Commission shall have exclusive jurisdiction over the siting or permitting of an energy transmission facility under this section.

"(2) Savings clause.—Nothing in this section affects State authority under Federal environmental or historic preservation laws.

"(f) Judicial review.—

"(1) In general.—Any person aggrieved by an order of the Commission may seek review in an appropriate court of appeals.

"(2) Timing.—A petition for review shall be filed not later than 60 days after publication of the order.

"(g) Eminent domain.—

"(1) In general.—A certificate holder may acquire necessary property by eminent domain if unable to do so by contract.

"(2) Jurisdiction.—An action under this subsection shall be brought in an appropriate Federal or State court.".

SEC. 1222. INTERREGIONAL TRANSFER CAPACITY AND GRID MODERNIZATION.

(a) Minimum interregional transfer capabilities and requirements.—Part II of the Federal Power Act (16 U.S.C. 824 et seq.), as amended by this Act, is further amended by adding at the end the following:

"Sec. 225. Interregional reliability.

"(a) Definitions.—In this section:

"(1) Coincident interregional transfer capability.—The term 'coincident interregional transfer capability', with respect to an interregional transmission planning region, means the ability of the interconnected electrical system to coincidently move electric energy reliably between the interregional transmission planning region in question and the rest of the interconnected electrical system.

"(2) Commission.—The term 'Commission' means the Federal Energy Regulatory Commission.

"(3) Interregional transfer capability.—The term 'interregional transfer capability' means the ability of the interconnected electrical system to move electric energy reliably between 2 or more interregional transmission planning regions.

"(4) Interregional transmission planning region.—The term 'interregional transmission planning region' means a region for which electric energy transmission planning is appropriate, as determined by the Commission, such as a region approved by the Commission to meet the requirements of the final rule of the Commission entitled Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities (Docket No. RM10-23).

"(5) Minimum interregional transfer capability.—The term 'minimum interregional transfer capability' means, as applicable—

"(A) the coincident interregional transfer capability described in subsection (b)(1)(A); or

"(B) a higher coincident interregional transfer capability established in accordance with subsection (b)(1)(B).

"(6) Minimum interregional transfer requirement.—The term 'minimum interregional transfer requirement' means any requirement to meet or maintain a minimum interregional transfer capability.

"(b) Establishment of minimum interregional transfer capabilities.—

"(1) In general.—Not later than 18 months after the date of enactment of this section, the Commission shall promulgate a final rule that—

"(A) requires each interregional transmission planning region to establish or increase interregional transfer capabilities such that the coincident interregional transfer capability of each interregional transmission planning region is not less than the lesser of—

"(i) 30 percent of its own present-day coincident peak load; and

"(ii) the sum obtained by adding—

"(I) the present-day coincident interregional transfer capability of the interregional transmission planning region; and

"(II) 15 percent of its own present-day coincident peak load;

"(B) on a showing of net benefits, may require 1 or more interregional transmission planning regions to meet or maintain a coincident interregional transfer capability that exceeds the applicable minimum interregional transfer capability described in subparagraph (A);

"(C) based on the applicable minimum interregional transfer capability, shall govern the establishment of minimum interregional transfer requirements for interconnections between interregional transmission planning regions;

"(D) calculates the present-day coincident interregional transfer capabilities of the interregional transmission planning regions by—

"(i) defining the present-day coincident interregional transfer capability of each interregional transmission planning region as being equal to the greater of—

"(I) the coincident import capability of the interregional transmission planning region; and

"(II) the coincident export capability of the interregional transmission planning region;

"(ii) defining the coincident import capability of each interregional transmission planning region as being equal to the absolute value of the first 1/10 of the first percentile (0.1th percentile) of the coincident hourly electrical transfers of that interregional transmission planning region;

"(iii) defining the coincident export capability of the interregional transmission planning region as being equal to the absolute value of the last 1/10 of the 99th percentile (99.9th percentile) of the coincident hourly electrical transfers of that interregional transmission planning region;

"(iv) defining the coincident hourly electrical transfers of each interregional transmission planning region as being equal to the sum obtained by adding, with respect to each hour, the hourly electrical transfers of all balancing authorities that, in the determination of the Commission, most closely correspond to the interregional transmission planning region in question using data from Form EIA-930 of the Energy Information Administration for the 5-year period ending on—

"(I) for each plan described in subparagraph (G) that is required to be submitted by the date described in that subparagraph, the date that is 1 year before the date of enactment of this section; and

"(II) for each plan submitted under paragraph (4)(A) and each updated plan submitted under paragraph (4)(B), the date that is 1 year before the deadline for submission of that plan; and

"(v) defining the hourly electrical transfers of each interregional transmission planning region as being equal to, for each hour—

"(I) the hourly exports of that interregional transmission planning region; minus

"(II) the hourly imports of that interregional transmission planning region;

"(E) calculates the present-day coincident peak loads of the interregional transmission planning regions by—

"(i) defining the present-day coincident peak load of each interregional transmission planning region as being equal to the last 1/10 of the 99th percentile (99.9th percentile) of the coincident hourly load of that interregional transmission planning region; and

"(ii) defining the coincident hourly load of each interregional transmission planning region as being equal to the sum obtained by adding, with respect to each hour, the hourly loads of all balancing authorities that, in the determination of the Commission, most closely correspond to the interregional transmission planning region in question using data from Form EIA-930 of the Energy Information Administration for the 5-year period ending on—

"(I) for each plan described in subparagraph (G) that is required to be submitted by the date described in that subparagraph, the date that is 1 year before the date of enactment of this section; and

"(II) for each plan submitted under paragraph (4)(A) and each updated plan submitted under paragraph (4)(B), the date that is 1 year before the deadline for submission of that plan;

"(F) for purposes of determining the adequacy of a plan described in subparagraph (G) to provide for the achievement of the minimum interregional transfer capability applicable to an interregional transmission planning region, describes and employs a clear methodology for calculating anticipated changes to the coincident peak load and coincident interregional transfer capability of an interregional transmission planning region designed to correspond approximately to what would be reasonably expected to be calculated under subparagraphs (D) and (E) at a future date based on—

"(i) the construction or modification of new or existing transmission facilities, including facilities built between interregional transmission planning regions and facilities within interregional transmission planning regions that impact the ability of the interregional transmission planning regions to move electric energy between themselves and neighboring interregional transmission planning regions;

"(ii) the use of nontransmission alternatives, including grid-enhancing technologies;

"(iii) changes to generation or load within interregional transmission planning regions, including energy efficiency and demand response programs; and

"(iv) other changes to the bulk-power system, as defined in section 215(a), or the operation of the bulk-power system that are expected to meaningfully alter coincident peak loads or coincident interregional transfer capabilities, as determined by the Commission;

"(G) establishes a process for each interregional transmission planning region to submit, jointly with each other interregional transmission planning region with which the interregional transmission planning region has, or plans to establish, an interregional transfer capability, not later than 2 years after the effective date of the final rule, a plan that—

"(i) designates 1 or more entities for construction of new facilities or modification of existing facilities to achieve the applicable minimum interregional transfer capability in an efficient and timely manner for the benefit of ultimate consumers;

"(ii) allocates the costs of the facilities described in clause (i); and

"(iii) includes a timeline for the construction of the facilities described in clause (i)—

"(I) by December 31, 2035; or

"(II) if any construction will extend beyond that date, that includes an explanation of the reasons for that construction extending beyond that date; and

"(H) explains how the Commission will designate 1 or more entities to construct or modify, and how the Commission will allocate the costs of, the facilities described in clause (i) of subparagraph (G) in the event that an interregional transmission planning region fails to submit a plan in accordance with that subparagraph.

"(2) Presumptions; consultation.—In establishing the methodology under paragraph (1)(F), the Commission may—

"(A) establish and use simplified, rebuttable presumptions relating to the extent to which coincident interregional transfer capabilities or coincident peak loads will be anticipated to be altered by facilities, technologies, or programs described in clauses (i) through (iv) of that paragraph; and

"(B) consult with appropriate officials of the Department of Energy.

"(3) Considerations.—In carrying out paragraph (1), the Commission shall consider and determine the role of transfer capabilities between interregional transmission planning regions and other electrical systems in North America in meeting the requirements of that paragraph.

"(4) Plans.—

"(A) New interregional transmission planning regions.—Not later than 2 years after the establishment of any new interregional transmission planning region, the new interregional transmission planning region and each interregional transmission planning region with which the new interregional transmission planning region has, or plans to establish, an interregional transfer capability, shall jointly submit to the Commission a plan described in paragraph (1)(G) to meet the minimum interregional transfer capability applicable to that new interregional transmission planning region.

"(B) Updates.—

"(i) In general.—The Commission shall require each plan submitted in accordance with paragraph (1)(G) or subparagraph (A) to be updated, and the updated plan submitted to the Commission, every 5 years after the deadline for submission of the initial plan.

"(ii) Requirement.—An updated plan submitted in accordance with clause (i) shall, at a minimum, account for any changes in regional coincident peak load since the most recent previous submission.

"(C) Review.—The Commission shall review each plan submitted in accordance with paragraph (1)(G) or subparagraph (A) or (B) in a manner consistent with—

"(i) the principles described in subsection (g); and

"(ii) sections 205 and 206, with respect to the requirement that all rates, charges, terms, and conditions be just and reasonable and not unduly discriminatory or preferential.

"(c) Equal application.—In carrying out this section, including with respect to the imposition of, and assessing compliance with, any minimum interregional transfer requirement, the Commission shall apply all provisions of this section, and any regulations promulgated under this section, equally to all interregional transmission planning regions, including by using the same terms, definitions, and standards with respect to each interregional transmission planning region.

"(d) Commission jurisdiction.—The Commission shall have jurisdiction within the United States over all transmitting utilities for the purposes of establishing minimum interregional transfer capabilities in accordance with this section and establishing and enforcing compliance with minimum interregional transfer requirements.

"(e) Electric Reliability Council of Texas.—

"(1) In general.—The Public Utility Commission of Texas may, at its sole discretion, choose to support the reliability and affordability of the ERCOT system by voluntarily complying with a minimum interregional transfer requirement relating to a coincident

interregional transfer capability that is equal to a percentage, determined by ERCOT, of the coincident peak load of ERCOT.

"(2) Savings clause.—

"(A) In general.—The construction or operation of an interregional facility, or the allocation of costs for that construction, to meet a minimum interregional transfer capability shall not affect the jurisdiction of the Commission with respect to—

"(i) ERCOT; or

"(ii) any ERCOT utility.

"(B) Not public utilities.—The construction or operation of a facility described in subparagraph (A), or the allocation of costs for that construction, shall not render ERCOT or any ERCOT utility a public utility.

"(f) Data quality.—

"(1) In general.—Not later than 180 days after the date of enactment of this section, the Administrator of the Energy Information Administration shall submit to the Commission an updated version of the data from Form EIA-930 for use in accordance with subparagraphs (D) and (E) of subsection (b)(1).

"(2) Errors.—In updating the Form EIA-930 data for purposes of paragraph (1), the Administrator of the Energy Information Administration, to the maximum extent practicable, shall control for the quality of the data by—

"(A) identifying any suspected erroneous values; and

"(B) removing those suspected erroneous values or overwriting those suspected erroneous values with data that, in the determination of the Administrator, is likely to be more accurate.

"(g) Requirement.—In carrying out this section, the Commission shall endeavor—

"(1) to improve the reliability and resilience of the electric grid of the United States, including during—

"(A) extreme weather scenarios;

"(B) physical attacks; and

"(C) cyber attacks; and

"(2) to reduce the cost of delivered power to ultimate consumers by increasing access to low-cost generating resources.".

(b) Electric grid and storage categorical exclusions.—

(1) Definition of previously disturbed or developed.—In this subsection, the term "previously disturbed or developed" has the meaning given the term in section 1021.410(g)(1) of title 10, Code of Federal Regulations, or successor regulations.

(2) Rulemaking.—Not later than 180 days after the date of enactment of this Act, to facilitate timely permitting, the Secretary of the Interior and the Secretary of Agriculture shall each develop or adopt 1 or more categorical exclusions, including allowing for extraordinary circumstances under which the categorical exclusion shall not be available, under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), as amended by this Act, for the following activities:

(A) Placement of an electric transmission or distribution facility in an approved right-of-way corridor, if the corridor was approved during the 5-year period ending on the date of placement of the facility.

(B) Any repair, maintenance, replacement, upgrade, modification, optimization, or minor relocation of, or addition to, an existing electric transmission or distribution facility or associated infrastructure, including electrical substations, within an existing right-of-way or on otherwise previously disturbed or developed land, including reconductoring and installation of grid-enhancing technologies.

(C) Construction, operation, upgrade, or decommissioning of a battery or other energy storage technology on previously disturbed or developed land.

(c) Conforming amendments.—Section 201 of the Federal Power Act (16 U.S.C. 824) is amended—

(1) in subsection (b)(2)—

(A) in the first sentence—

(i) by striking "section 201(f)" and inserting "subsection (f)"; and

(ii) by striking "and 222" and inserting "222, 224, and 225"; and

(B) in the second sentence, by striking "or 222" and inserting "222, 224, or 225"; and

(2) in subsection (e)—

(A) by striking "206(f),"; and

(B) by striking "or 222" and inserting "222, 224, or 225".

SEC. 1223. NATIONAL HIGH-VOLTAGE DIRECT CURRENT CORRIDORS.

(a) Definitions.—In this section:

(1) Associated interconnection facility.—The term “associated interconnection facility” means any alternating-current transmission facility, substation, switchyard, control system,

communications system, grid-enhancing technology, protection system, or other facility necessary to interconnect an eligible high-voltage direct current project with the bulk-power system.

(2) Commission.—The term “Commission” means the Federal Energy Regulatory Commission.

(3) Converter station.—The term “converter station” means a facility that converts electric energy between alternating current and direct current for purposes of transmitting electric energy through a high-voltage direct current transmission facility.

(4) Covered Federal land.—The term “covered Federal land” means any land or interest in land owned by the United States, administered by a Federal agency, or subject to a right-of-way, easement, lease, permit, reservation, or other authorization issued by a Federal agency.

(5) Eligible high-voltage direct current project.—The term “eligible high-voltage direct current project” means a high-voltage direct current transmission facility that—

(A) is located substantially within, or has a substantial segment located within, a national high-voltage direct current corridor designated under subsection (b);

(B) is designed to transmit electric energy in interstate commerce;

(C) has a power capacity of not less than 1,000 megawatts; and

(D) includes any converter station or associated interconnection facility necessary to construct, interconnect, operate, or maintain such facility.

(6) High-voltage direct current transmission facility.—The term “high-voltage direct current transmission facility” has the meaning given such term in section 224(a) of the Federal Power Act.

(7) Indian Tribe.—The term “Indian Tribe” has the meaning given that term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(8) National high-voltage direct current corridor.—The term “national high-voltage direct current corridor” means a geographic area designated by the Secretary under subsection (b) as a priority area for the siting, permitting, construction, operation, and maintenance of eligible high-voltage direct current projects.

(9) National Transmission Needs Study.—The term “National Transmission Needs Study” means the most recent study issued by the Department of Energy identifying transmission needs, congestion, reliability constraints, or transfer-capacity limitations in the United States.

(10) National Transmission Planning Study.—The term “National Transmission Planning Study” means the most recent national transmission planning study issued by the

Department of Energy to evaluate interregional transmission, transfer capacity, reliability, resilience, and resource adequacy needs in the United States.

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

(b) Designation of national high-voltage direct current corridors.—

(1) In general.—Not later than 18 months after the date of enactment of this Act, the Secretary, in consultation with the Commission, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense, affected Indian Tribes, affected States, and affected transmission planning entities, shall designate national high-voltage direct current corridors sufficient to advance the purposes described in subsection (c).

(2) Basis for designation.—In designating national high-voltage direct current corridors under paragraph (1), the Secretary shall consider—

(A) the National Transmission Planning Study;

(B) the National Transmission Needs Study;

(C) minimum interregional transfer requirements established under section 225 of the Federal Power Act;

(D) existing or proposed National Interest Electric Transmission Corridors;

(E) renewable energy priority areas on Federal land;

(F) regions with substantial solar, wind, geothermal, hydropower, or other low-cost generation potential;

(G) major load centers and regions with substantial projected load growth;

(H) interconnection seams between regions of the bulk-power system;

(I) existing transmission congestion, curtailment, and reliability constraints;

(J) opportunities to co-locate new transmission with existing transmission, highway, rail, pipeline, utility, or other infrastructure corridors;

(K) opportunities to use previously disturbed or developed land; and

(L) impacts to Indian Tribes, landowners, local communities, habitat, water resources, cultural resources, military readiness, and other public uses and values.

(3) Priority corridors.—In carrying out paragraph (1), the Secretary shall prioritize designation of corridors that—

(A) connect high-quality renewable energy resource areas to major load centers;

(B) increase interregional transfer capability;

(C) reduce transmission congestion and curtailment;

(D) improve grid reliability and resilience during extreme weather, physical attacks, cyber attacks, or fuel-supply disruptions;

(E) connect or strengthen the Eastern Interconnection, Western Interconnection, ERCOT, or other regional electric systems, to the extent authorized by law;

(F) enable development of renewable energy projects on covered Federal land; or

(G) reduce the delivered cost of electric energy to ultimate consumers.

(4) Updates.—Not less frequently than once every 5 years, the Secretary shall review and, as appropriate, update the designations made under this subsection.

(c) Purposes.—The purposes of national high-voltage direct current corridors are—

(1) to create a national backbone for long-distance bulk transmission of electric energy;

(2) to connect low-cost generation resources with regions of high demand;

(3) to increase interregional transfer capability;

(4) to reduce congestion, curtailment, and reliability constraints;

(5) to support development of renewable energy and energy storage resources on covered Federal land;

(6) to improve the reliability, resilience, and affordability of the electric grid; and

(7) to reduce the cost of delivered power to ultimate consumers.

(d) Federal land rights-of-way.—

(1) Priority for covered Federal land.—The Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense, and the head of any other Federal agency with jurisdiction over covered Federal land shall prioritize, expedite, and coordinate consideration of any right-of-way, easement, lease, permit, or other authorization necessary for an eligible high-voltage direct current project located within a national high-voltage direct current corridor.

(2) Co-location preference.—In carrying out paragraph (1), each Federal agency shall, to the maximum extent practicable, prioritize routing that co-locates an eligible high-voltage direct current project with existing transmission, highway, rail, pipeline, utility, or other infrastructure corridors, or with previously disturbed or developed land.

(3) Corridor coordination.—Not later than 1 year after the date on which a national high-voltage direct current corridor is designated under subsection (b), the Secretary, in consultation with the heads of relevant Federal land management agencies, shall identify

covered Federal land within the corridor that may be suitable for rights-of-way for eligible high-voltage direct current projects.

(4) Military readiness and national security.—Nothing in this subsection shall be construed to require the Secretary of Defense to approve any right-of-way, easement, lease, permit, or other authorization if the Secretary of Defense determines that such approval would materially impair military readiness, national security, installation operations, training, testing, or operational security.

(5) Rule of construction.—Nothing in this subsection shall be construed to waive any requirement for consultation with an Indian Tribe or to authorize the taking of Tribal land without the consent of the affected Indian Tribe.

(e) Converter stations and associated interconnection facilities.—

(1) Treatment as part of project.—For purposes of Federal siting, permitting, environmental review, financing, and the application of any Commission-approved cost-allocation rule, tariff, or order, a converter station or associated interconnection facility shall be treated as part of the eligible high-voltage direct current project with which such converter station or associated interconnection facility is associated.

(2) Standardized review.—Not later than 18 months after the date of enactment of this Act, the Commission, in consultation with the Secretary, shall establish standardized procedures for review of converter stations and associated interconnection facilities needed for eligible high-voltage direct current projects.

(f) Coordination with Federal Power Act certificate process.—

(1) Priority processing.—The Commission shall prioritize the processing of an application under section 224 of the Federal Power Act for an eligible high-voltage direct current project located within a national high-voltage direct current corridor.

(2) Presumption of interregional benefit.—For purposes of section 224(b)(3)(C)(i) of the Federal Power Act, an eligible high-voltage direct current project located within a national high-voltage direct current corridor shall be presumed to enable renewable energy use, reduce congestion, improve reliability, or increase interregional transfer capability.

(3) Preservation of certificate standards.—Nothing in this subsection shall be construed to require the Commission to issue a certificate under section 224 of the Federal Power Act for a project that does not satisfy the requirements of that section.

(g) Federal financing eligibility.—

(1) In general.—An eligible high-voltage direct current project shall be deemed to be an infrastructure project of national significance and shall be eligible for Federal financing, credit support, loan guarantees, grants, or other assistance under any otherwise applicable Federal infrastructure, energy, transmission, resilience, or economic development program.

(2) Specific eligibility.—An eligible high-voltage direct current project shall be eligible for assistance under the National Infrastructure Bank, the American Infrastructure Trust Fund, and any successor Federal infrastructure financing program, to the extent otherwise authorized by law.

(3) No limitation.—Nothing in this subsection shall be construed to limit the eligibility of an eligible high-voltage direct current project for any other Federal financing, credit support, loan guarantee, grant, tax credit, or other assistance.

(h) Annual report.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary, in consultation with the Commission, shall submit to Congress and make publicly available a report that—

(1) identifies each national high-voltage direct current corridor designated under subsection (b);

(2) identifies each eligible high-voltage direct current project proposed, permitted, under construction, or placed in service within each such corridor;

(3) identifies the number of miles of high-voltage direct current transmission facilities permitted, under construction, and placed in service during the preceding calendar year;

(4) estimates the interregional transfer capability added during the preceding calendar year;

(5) estimates congestion reductions, curtailment reductions, reliability benefits, and delivered-cost savings attributable to eligible high-voltage direct current projects;

(6) identifies barriers to timely siting, permitting, financing, construction, interconnection, or operation of eligible high-voltage direct current projects; and

(7) recommends any administrative or legislative action necessary to accelerate development of national high-voltage direct current corridors.

SEC. 1224. EXPEDITING GENERATOR INTERCONNECTION PROCEDURES.

(a) Definitions.—In this section:

(1) Commission.—The term "Commission" means the Federal Energy Regulatory Commission.

(2) Energy storage project.—The term "energy storage project" means—

(A) any equipment that receives, stores, and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors, superconducting magnets, or other technologies identified by the Commission; and

(B) any project for the construction or modification of equipment described in subparagraph (A) as part of an effort to build-out transmission interconnection opportunities.

(3) Generation project.—The term "generation project" means—

(A) any facility—

(i) that generates or injects electricity; and

(ii) for which an interconnection request is subject to the jurisdiction of the Commission; and

(B) any project for the construction or modification of a facility described in subparagraph (A).

(4) Interconnection customer.—The term "interconnection customer" means a person or entity that has submitted an interconnection request.

(5) Interconnection request.—The term "interconnection request" means a request submitted to a public utility to interconnect a new generation project or energy storage project to the electric system of a public utility for the purposes of transmission of electric energy in interstate commerce or the sale of electric energy at wholesale.

(6) Public utility.—The term "public utility" has the meaning given the term in section 201(e) of the Federal Power Act (16 U.S.C. 824(e)).

(7) Transmission facility.—The term "transmission facility" means a facility that is used for the transmission of electric energy in interstate commerce.

(8) Transmission provider.—The term "transmission provider" means a public utility that owns, operates, or controls 1 or more transmission facilities.

(9) Transmission system.—The term "transmission system" means a network of transmission facilities used for the transmission of electric energy in interstate commerce.

(b) Rulemaking to expedite generator interconnection procedures.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Commission shall initiate a rulemaking—

(A) to address the inefficiencies and ineffectiveness of existing procedures for processing interconnection requests to ensure that new generation projects and energy storage projects can interconnect quickly, cost-effectively, and reliably; and

(B) to revise the pro forma Large Generator Interconnection Procedures and, as appropriate, the pro forma Large Generator Interconnection Agreement, promulgated pursuant to section 35.28(f) of title 18, Code of Federal Regulations, or successor regulations, to require transmission providers—

(i) to develop and employ modeling assumptions for each resource type based on actual operating abilities and practices, for the purposes of studying an interconnection request;

(ii) to study interconnection requests in a manner consistent with the risk tolerance of the interconnection customer;

(iii) to select, as appropriate, 1 or more cost-effective solutions to address network reliability needs that may be identified while studying an interconnection request;

(iv) to provide sufficient information to interconnection customers for the interconnection customers to understand how a transmission provider has implemented the assumptions and solutions described in clauses (i) and (iii);

(v) to share and employ, as appropriate, queue management best practices, including with respect to the use of advanced computing technologies, automation, and standardized study criteria, in evaluating interconnection requests, in order to expedite study results; and

(vi) to implement transparency and performance-enhancing measures to ensure timely and cost-conscious construction of necessary network upgrades once an interconnection agreement has been executed.

(2) Deadline for final rule.—Not later than 18 months after the date of enactment of this Act, the Commission shall promulgate a final rule to complete the rulemaking initiated under paragraph (1).

(3) Savings clause.—Nothing in this subsection alters, or may be construed to alter, the allocation of costs of the transmission system pursuant to the ratemaking authority of the Commission under section 205 of the Federal Power Act (16 U.S.C. 824d).

SEC. 1225. GRID-ENHANCING TECHNOLOGIES AND CONGESTION TRANSPARENCY.

(a) Definitions.—In this section:

(1) Commission.—The term "Commission" means the Federal Energy Regulatory Commission.

(2) Grid-enhancing technology.—The term "grid-enhancing technology" means any hardware or software that—

(A) increases the capacity, efficiency, reliability, resilience, or safety of transmission facilities and transmission technologies; and

(B) is installed in addition to transmission facilities and transmission technologies—

(i) to give operators of the transmission facilities and transmission technologies more situational awareness and control over the electric grid;

(ii) to make the transmission facilities and transmission technologies more efficient; or

(iii) to increase the transfer capacity of the transmission facilities and transmission technologies.

(3) Secretary.—The term "Secretary" means the Secretary of Energy.

(b) Shared savings incentive for grid-enhancing technologies.—

(1) Definition of developer.—In this subsection, the term "developer", with respect to grid-enhancing technology, means the entity that pays to install the grid-enhancing technology.

(2) Establishment of shared savings incentive.—Not later than 18 months after the date of enactment of this Act, the Commission shall promulgate a final rule providing a shared savings incentive that returns a portion of the savings attributable to an investment in grid-enhancing technology to the developer of that grid-enhancing technology, in accordance with this subsection.

(3) Requirements.—

(A) In general.—The Commission shall determine the percentage of savings attributable to an investment in grid-enhancing technology that can be returned to the developer of that grid-enhancing technology pursuant to the shared savings incentive established under paragraph (2), subject to the conditions that the percentage—

(i) is not less than 10 percent and not more than 25 percent;

(ii) is not determined on a per-project, per-investment, or case-by-case basis; and

(iii) is applied consistently to all investments in grid-enhancing technology eligible for the shared savings incentive, regardless of the type of grid-enhancing technology installed.

(B) Time period for recovery.—The shared savings incentive established under paragraph (2) shall return a percentage, determined in accordance with subparagraph (A), of the applicable savings to the developer of the applicable grid-enhancing technology over a period of 3 years.

(4) Eligibility.—Subject to paragraph (5), the shared savings incentive established under paragraph (2) shall apply with respect to—

(A) any developer, with respect to the investment of that developer in grid-enhancing technology that is installed as described in subsection (a)(2)(B); and

(B) any grid-enhancing technology, including—

(i) grid-enhancing technology that relates to new transmission facilities or transmission technologies; and

(ii) grid-enhancing technology that relates to existing transmission facilities or transmission technologies.

(5) Limitations.—

(A) Minimum savings.—

(i) In general.—The shared savings incentive established under paragraph (2) shall apply with respect to an investment in grid-enhancing technology only if the expected savings attributable to the investment over the 3-year period described in paragraph (3)(B), as determined by the Commission, are at least 4 times the cost of the investment.

(ii) Determination.—The Commission shall determine how to quantify the cost of an investment and the expected savings attributable to an investment for purposes of clause (i).

(iii) Costs.—For purposes of clause (i), the cost of an investment may include any costs associated with the permitting, installation, or purchase of the applicable grid-enhancing technology.

(B) Already installed grid-enhancing technologies.—The shared savings incentive established under paragraph (2) may not be applied with respect to grid-enhancing technology that is already installed as of the date of enactment of this Act.

(C) Consumer protection.—The Commission shall determine appropriate consumer protections for the shared savings incentive established under paragraph (2).

(6) Evaluation and sunset of shared savings incentive.—

(A) Evaluation.—Not earlier than 7 years, and not later than 10 years, after the shared savings incentive is established under paragraph (2), the Commission shall—

(i) evaluate the necessity and efficacy of the shared savings incentive; and

(ii) determine whether to maintain, revise, or suspend the shared savings incentive.

(B) Consideration of Order No. 1920.—In conducting the evaluation under subparagraph (A)(i), the Commission shall consider—

(i) how the shared savings incentive aligns with the requirement that grid-enhancing technologies be considered in long-term regional transmission planning under Order No. 1920 of the Commission, entitled "Building for the Future

Through Electric Regional Transmission Planning and Cost Allocation" (89 Fed. Reg. 49280 (June 11, 2024)), or a successor order;

(ii) whether and how the shared savings incentive should be revised to further align with that requirement; and

(iii) whether, in light of that requirement, the shared savings incentive should be maintained or suspended.

(C) Public comment.—In conducting the evaluation under subparagraph (A)(i), the Commission shall provide an opportunity for public comment, including by stakeholders.

(c) Congestion reporting.—

(1) Annual reports.—

(A) In general.—Beginning on the date that is 1 year after the effective date of the rule promulgated under paragraph (2), all operators of transmission facilities or transmission technologies shall submit to the Commission annual reports containing data on the costs associated with congestion management with respect to the transmission facilities or transmission technologies, including all relevant constraints.

(B) Requirement.—Each annual report submitted under subparagraph (A) shall identify—

(i) with respect to each reported constraint that caused more than $500,000 in associated costs—

(I) the cause of the constraint, including physical infrastructure and transient disruptions; and

(II) the next limiting element type and its identified rating limit; and

(ii) each constraint that will be addressed by planned future upgrades to infrastructure and facilities.

(2) Rulemaking.—Not later than 18 months after the date of enactment of this Act, the Commission shall promulgate a final rule establishing a universal metric and protocol for the measuring and reporting of data under paragraph (1).

(3) Uses of data.—

(A) Analyses.—

(i) In general.—The Commission and the Secretary shall each use the data submitted under paragraph (1) to conduct analyses, as the Commission or the Secretary, as applicable, determines to be appropriate.

(ii) Coordination.—The Commission and the Secretary may coordinate with respect to any analyses conducted using the data submitted under paragraph (1).

(B) Map.—The Commission and the Secretary, acting jointly, shall—

(i) use the data submitted under paragraph (1) to create a map of costs associated with congestion management in the transmission system; and

(ii) update that map not less frequently than once each year.

(4) Publication of data and map.—The Commission and the Secretary shall make the data submitted under paragraph (1) and the map described in paragraph (3)(B) publicly available on the websites of—

(A) the Commission; and

(B) the Department of Energy.

(d) Grid-enhancing technology application guide.—

(1) Definition of developer.—In this subsection, the term "developer" means a developer of transmission facilities or transmission technologies, including a developer of transmission facilities or transmission technologies that pays to install grid-enhancing technology with respect to those transmission facilities or transmission technologies.

(2) Establishment of application guide.—Not later than 18 months after the date of enactment of this Act, the Secretary shall establish an application guide for utilities and developers seeking to implement grid-enhancing technologies.

(3) Updates.—The guide established under paragraph (2) shall be reviewed and updated annually.

(4) Technical assistance.—

(A) In general.—On request of a utility or developer using the guide established under paragraph (2), the Secretary shall provide technical assistance to that utility or developer with respect to the use of grid-enhancing technologies for particular applications.

(B) Clearinghouse.—In carrying out subparagraph (A), the Secretary shall establish a clearinghouse of previously completed grid-enhancing technology projects that the Secretary, utilities, and developers may use to identify issues and solutions relating to the use of grid-enhancing technologies for particular applications.

(5) Authorization of appropriations.—There are authorized to be appropriated to carry out this subsection, to remain available until expended—

(A) $5,000,000 for fiscal year 2027; and

(B) $1,000,000 for each of fiscal years 2028 through 2036.

SEC. 1226. COMMUNITY SOLAR CONSUMER CHOICE.

(a) Definitions.—In this section:

(1) Community solar facility; community solar program; subscriber.—The terms "community solar facility", "community solar program", and "subscriber" have the meanings given those terms in paragraph (22)(A) of section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)), as added by subsection (d).

(2) National Laboratory.—The term "National Laboratory" has the meaning given the term in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

(3) Secretary.—The term "Secretary" means the Secretary of Energy.

(b) Establishment of community solar consumer choice program.—

(1) In general.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a program to increase access to community solar programs for—

(A) individuals, particularly individuals that do not have regular access to onsite solar, including low- and moderate-income individuals;

(B) businesses;

(C) nonprofit organizations; and

(D) States and local and Tribal governments.

(2) Alignment with existing Federal programs.—The Secretary shall align the program established under paragraph (1) with existing Federal programs that serve low-income communities.

(3) Assistance to State, local, and Tribal governments.—In carrying out the program established under paragraph (1), the Secretary shall—

(A) provide technical assistance to State, local, and Tribal governments, and other entities, for projects to increase access to community solar programs;

(B) assist State, local, and Tribal governments in the development of new and innovative financial and business models, including affordable rate structures, that leverage competition in the energy marketplace in order to serve subscribers; and

(C) use National Laboratories to collect and disseminate data to assist private entities in the financing of, subscription to, and operation of community solar facilities and community solar programs.

(c) Federal Government participation in community solar programs.—The Secretary, to the extent practicable, shall expand the existing grant, loan, and financing programs of the Department of Energy to include community solar programs.

(d) Establishment of community solar programs.—

(1) In general.—Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)) is amended by adding at the end the following:

"(22) Community solar programs.—

"(A) Definitions.—In this paragraph:

"(i) Community solar facility.—The term 'community solar facility' means a solar photovoltaic system that—

"(I) allocates electricity to multiple electric consumers served by an electric utility;

"(II) is connected to local distribution infrastructure of the electric utility;

"(III) is located either on or off the property of 1 or more subscribers; and

"(IV) may be owned by an electric utility, 1 or more subscribers, or a third party.

"(ii) Community solar program.—The term 'community solar program' means a service provided by an electric utility to an electric consumer served by the electric utility through which the value of electricity generated by a community solar facility may be used to offset charges billed to the electric consumer by the electric utility.

"(iii) Subscriber.—The term 'subscriber' means an electric consumer who participates in a community solar program.

"(B) Standard.—

"(i) Non-Tribal utilities.—Each electric utility that is not a Tribal utility shall offer a community solar program to which all ratepayers of the electric utility, including low-income ratepayers, have equitable and demonstrable access.

"(ii) Tribal utilities.—

"(I) In general.—A Tribal utility may offer a community solar program.

"(II) Resources.—A Tribal utility that offers a community solar program may leverage resources made available under Federal law to carry out that community solar program.

"(C) Ownership of community solar facilities.—A community solar program established pursuant to this paragraph shall include a mechanism to allow electric utilities, non-utilities, and other appropriate entities to assume complete or partial ownership of relevant community solar facilities, as necessary to deliver customer benefits and mitigate the impacts of market concentration.

"(D) Technical assistance and other guidance.—The Secretary shall provide technical assistance and other guidance necessary to carry out a community solar program pursuant to this paragraph, including to State, local, and Tribal governments, as appropriate.".

(2) Compliance.—

(A) Time limitations.—Section 112(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2622(b)) is amended—

(i) by indenting paragraphs (4) through (8), and any subparagraphs within those paragraphs, appropriately; and

(ii) by adding at the end the following:

"(9) (A) Not later than 1 year after the date of enactment of this paragraph, each State regulatory authority, with respect to each electric utility for which the State has ratemaking authority, and each nonregulated electric utility shall commence consideration under section 111, or set a hearing date for consideration, with respect to the standard established by paragraph (22) of section 111(d).

"(B) Not later than 2 years after the date of enactment of this paragraph, each State regulatory authority, with respect to each electric utility for which the State has ratemaking authority, and each nonregulated electric utility shall complete the consideration and make the determination under section 111 with respect to the standard established by paragraph (22) of section 111(d).".

(B) Failure to comply.—Section 112(c) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2622(c)) is amended—

(i) in the first sentence, by striking "subsection (b)(2)" and inserting "subsection (b)"; and

(ii) by adding at the end the following: "In the case of the standard established by paragraph (22) of section 111(d), the reference contained in this subsection to the date of enactment of this Act shall be deemed to be a reference to the date of enactment of that paragraph (22).".

(C) Prior State actions.—Section 112 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2622) is amended—

(i) in subsection (h), in the subsection heading, by striking "Other"; and

(ii) by adding at the end the following:

"(i) Prior State actions.—Subsections (b) and (c) shall not apply to the standard established by paragraph (22) of section 111(d) in the case of any electric utility in a State if, before the date of enactment of this subsection—

"(1) the State has implemented for the electric utility the standard, or a comparable standard;

"(2) the State regulatory authority for the State or the relevant nonregulated electric utility has conducted a proceeding to consider implementation of the standard, or a comparable standard, for the electric utility; or

"(3) the State legislature has voted on the implementation of the standard, or a comparable standard, for the electric utility.".

(D) Cross-reference.—Section 124 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2634) is amended by adding at the end the following: "In the case of the standard established by paragraph (22) of section 111(d), the reference contained in this section to the date of enactment of this Act shall be deemed to be a reference to the date of enactment of that paragraph (22).".

(e) Federal contracts for public utility services.—Section 501(b)(1) of title 40, United States Code, is amended by striking subparagraph (B) and inserting the following:

"(B) Public utility contracts.—A contract under this paragraph for public utility services may be for a period of not more than 30 years.".

SEC. 1227. RENEWABLE ENERGY FOR UNITED STATES TERRITORIES.

(a) Definitions.—In this section:

(1) Covered entity.—The term "covered entity" means a not-for-profit organization determined eligible by the Secretary for purposes of this section.

(2) Department of Energy National Laboratories.—The term "Department of Energy National Laboratories" has the same meaning as the term "National Laboratory" under section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

(3) Microgrid.—The term "microgrid" means an electric system—

(A) that serves the local community with a power generation and distribution system; and

(B) that has the ability—

(i) to disconnect from a traditional electric grid; and

(ii) to operate autonomously when disconnected.

(4) Renewable energy; renewable energy system.—The terms "renewable energy" and "renewable energy system" have the meanings given those terms in section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101).

(5) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(6) Smart grid.—The term "smart grid" means an intelligent electric grid that uses digital communications technology, information systems, and automation to, while maintaining high system reliability—

(A) detect and react to local changes in usage;

(B) improve system operating efficiency; and

(C) reduce operating costs.

(7) Territory of the United States.—The term "territory of the United States" means the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(b) Renewable energy grant program.—

(1) Establishment.—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish a renewable energy program under which the Secretary may award grants to covered entities to facilitate projects, in territories of the United States, described in subsection (d).

(2) Applications.—To be eligible for a grant under the program established under paragraph (1), a covered entity shall submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require.

(c) Grant uses.—

(1) In general.—A covered entity receiving a grant under the program established under subsection (b) may use grant funds for a project, in a territory of the United States—

(A) to develop or construct a renewable energy system;

(B) to carry out an activity to increase energy efficiency;

(C) to develop or construct an energy storage system or device for—

(i) a system developed or constructed under subparagraph (A); or

(ii) an activity carried out under subparagraph (B);

(D) to develop or construct—

(i) a smart grid; or

(ii) a microgrid; or

(E) to train residents of the territory of the United States to develop, construct, maintain, or operate a renewable energy system.

(2) Limitation.—A covered entity receiving a grant under the program established under subsection (b) may not use grant funds to develop or construct a facility that generates electricity using energy derived from—

(A) fossil fuels; or

(B) nuclear power.

(d) Technical assistance.—The Secretary of Energy shall ensure that Department of Energy National Laboratories offer to provide technical assistance to each covered entity carrying out a project assisted with a grant under the program established under subsection (b).

(e) Report.—Not later than 2 years after the establishment of the program under subsection (b), and on an annual basis thereafter, the Secretary shall submit to Congress a report containing—

(1) an estimate of the amount of funds disbursed under the program;

(2) an estimate of the energy conservation achieved as a result of the program;

(3) a description of challenges encountered in implementing projects described in subsection (c)(1); and

(4) recommendations as to additional legislative measures to increase the use of renewable energy in territories of the United States, as appropriate.

(f) GAO study and report.—

(1) Study and report.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall—

(A) conduct a study regarding renewable energy and energy efficiency in territories of the United States; and

(B) submit to Congress a report containing—

(i) the findings of the study; and

(ii) related recommendations.

(2) Components.—The study conducted under paragraph (1) shall consider, in relation to each territory of the United States, the potential—

(A) to modify existing electric power systems to use renewable energy sources;

(B) to expand the use of microgrids; and

(C) to improve energy resiliency.

(3) Authorization of appropriations.—There is authorized to be appropriated $1,500,000 to carry out this subsection.

(g) Authorization of appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1228. STREAMLINING HOME INSTALLATION OF NEW ENERGIES.

(a) Definitions.—In this section:

(1) Authority having jurisdiction.—The term "authority having jurisdiction" means any State, county, local, or Tribal office or official with jurisdiction—

(A) to issue permits relating to qualifying distributed energy systems;

(B) to conduct inspections to enforce the requirements of a relevant code or standard relating to qualifying distributed energy systems; or

(C) to approve the installation of, or the equipment and materials used in the installation of, qualifying distributed energy systems.

(2) Electric utility.—The term "electric utility" has the meaning given the term in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602).

(3) Nationally recognized testing laboratory.—The term "nationally recognized testing laboratory" means a testing laboratory recognized under section 1910.7 of title 29, Code of Federal Regulations, or successor regulations.

(4) Notice-only registration.—The term "notice-only registration" means an online registration that is required solely to record the installation and operation of plug-in solar systems and to inform the applicable electric utility.

(5) Plug-in solar system.—The term "plug-in solar system" means photovoltaic equipment that—

(A) is intended for connection to a premises wiring system through a cord-and-plug connection to an existing receptacle;

(B) does not require modification of premises wiring for installation or operation;

(C) has an alternating-current output of not more than 1.2 kilowatts, or such higher output as the Secretary determines appropriate by rule; and

(D) is certified by a nationally recognized testing laboratory to comply with UL 3700, UL 1741, or a successor safety standard recognized by the Secretary.

(6) Qualifying distributed energy system.—The term "qualifying distributed energy system" means any equipment or materials installed in, on, or near a residential building to support onsite or local energy use, including—

(A) to generate electricity from distributed renewable energy sources, including from—

(i) solar photovoltaic systems or similar solar energy technologies, including plug-in solar systems; and

(ii) wind power systems;

(B) to store and discharge electricity from batteries with a capacity of at least 2 kilowatt hours;

(C) to charge a plug-in electric drive vehicle at a power rate of at least 2 kilowatts; or

(D) to refuel a hydrogen fuel cell electric vehicle.

(7) Secretary.—The term "Secretary" means the Secretary of Energy.

(b) Program.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with trade associations and other entities representing distributed energy system installers and organizations representing State, local, and Tribal governments engaged in permitting, shall carry out a program to further develop, expand, and support the adoption of a voluntary streamlined permitting and inspection process for authorities having jurisdiction to use for the permitting of qualifying distributed energy systems.

(c) Activities of the program.—In carrying out the program established under subsection (b), the Secretary shall—

(1) further develop and expand an exemplary streamlined permitting process that includes an online permitting platform—

(A) for expediting, standardizing, and streamlining permitting; and

(B) that authorities having jurisdiction may voluntarily use to receive, review, and approve permit applications relating to qualifying distributed energy systems;

(2) establish targets for the adoption of a streamlined, expedited permitting process by authorities having jurisdiction;

(3) provide technical assistance and training directly or indirectly to authorities having jurisdiction on using and adopting the exemplary streamlined permitting process described in paragraph (1), including the adoption of any necessary building codes;

(4) develop a voluntary inspection protocol and related tools to expedite, standardize, and streamline the inspection of qualifying distributed energy systems, including—

(A) by investigating the potential for using remote inspections;

(B) by investigating the potential for sample-based inspection for distributed energy system installers with a demonstrated track record of high-quality work; and

(C) by investigating opportunities to integrate the voluntary inspection protocol into the online permitting platform described in paragraph (1) and the platforms of government software providers;

(5) develop voluntary model permitting, inspection, safety, and interconnection guidance for plug-in solar systems, including guidance addressing equipment certification, labeling, receptacle compatibility, anti-islanding protection, ground-fault protection, export limitation, consumer notice, and circumstances under which no modification of premises wiring is required; and

(6) take any other action to expedite, standardize, streamline, or improve the process for permitting, inspecting, or interconnecting qualifying distributed energy systems.

(d) Support services.—The Secretary shall—

(1) support the provision of technical assistance to authorities having jurisdiction, any administrator of the online permitting platform described in subsection (c)(1), government software providers, and any other entity determined appropriate by the Secretary in carrying out the activities described in subsection (c); and

(2) provide such financial assistance as the Secretary determines appropriate from any funds appropriated to carry out this section.

(e) Authority having jurisdiction certification program.—

(1) In general.—The Secretary may certify authorities having jurisdiction that implement the exemplary streamlined permitting process described in subsection (c)(1).

(2) Process.—The Secretary may confer a certification under paragraph (1) through existing programs within the Department of Energy.

(3) Prizes.—The Secretary may award prizes to authorities having jurisdiction, using funds appropriated to the Secretary to carry out this section, to encourage authorities having jurisdiction to adopt the exemplary streamlined permitting process or the voluntary inspection protocol established under paragraphs (1) and (4) of subsection (c), respectively.

(f) Plug-in solar systems.—

(1) Right to install and operate.—A person may install and operate plug-in solar systems in accordance with this subsection without obtaining a permit, inspection, interconnection study, interconnection application approval, equipment upgrade approval, or other discretionary approval from an authority having jurisdiction or electric utility.

(2) Notice-only registration.—

(A) In general.—An authority having jurisdiction or electric utility may require notice-only registration for plug-in solar systems.

(B) Contents.—A notice-only registration under subparagraph (A) may require only—

(i) the installation address;

(ii) the rated alternating-current output;

(iii) the inverter or system certification;

(iv) the electric utility account number;

(v) the meter number, if known to the customer; and

(vi) owner or operator contact information.

(C) Timing.—A notice-only registration under subparagraph (A) may be submitted before or after installation, except that an authority having jurisdiction or electric utility may require submission not later than 7 days after the date on which the plug-in solar system begins operation.

(D) No discretionary approval.—A notice-only registration under subparagraph (A) shall not be treated as a request for discretionary approval.

(3) Prohibition on obstruction.—An authority having jurisdiction or electric utility may not prohibit, delay, or impose materially more burdensome permitting, inspection, notification, registration, interconnection, equipment, operation, or fee requirements on plug-in solar systems that comply with this subsection, unless the authority having jurisdiction or electric utility identifies a documented, site-specific safety or reliability risk that cannot be addressed by compliance with this subsection.

(4) Utility notice and meter treatment.—

(A) Utility notice.—If a notice-only registration is submitted to an authority having jurisdiction other than the applicable electric utility, the authority having jurisdiction shall transmit the registration information to the applicable electric utility.

(B) Meter replacement.—If operation of a plug-in solar system requires replacement of an electric meter to accurately record electricity consumption or reverse power flows, the applicable electric utility shall replace the meter without charge to the customer.

(C) No delay.—An electric utility may not prohibit or delay installation or operation of a plug-in solar system pending replacement of an electric meter unless the utility identifies a documented, site-specific safety or reliability risk that cannot be addressed by compliance with this subsection.

(5) Ordinary safety enforcement.—Nothing in this subsection shall limit the authority of an authority having jurisdiction or electric utility to enforce generally applicable safety

requirements against plug-in solar systems that are installed, modified, or operated in a manner that does not comply with this subsection.

(6) Guidance.—Not later than 180 days after the date of enactment of this Act, the Secretary shall publish guidance to assist authorities having jurisdiction, electric utilities, renters, multifamily housing owners, manufacturers, and consumers in carrying out this subsection.

(g) Authorization of appropriations.—There is authorized to be appropriated to the Secretary to carry out this section $20,000,000 for each of fiscal years 2027 through 2030.

Subtitle B—Addressing PFAS

SEC. 1231. FINDINGS AND PURPOSES.

(a) Findings.—Congress finds the following:

(1) Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are a class of synthetic chemicals that have been used in firefighting foam, carpeting, packaging, cookware, textiles, furniture, industrial processes, and other products since the 1940s.

(2) PFAS persist in the environment, can accumulate in the human body, and have been detected in air, water, soil, food, biosolids, consumer products, wildlife, and human blood.

(3) PFAS are not naturally occurring and enter the environment through manufacturing, processing, distribution, use, release, disposal, and degradation of substances and products containing such chemicals.

(4) Exposure to PFAS has been associated with serious health risks, including cancer, reproductive and developmental harms, immune system effects, liver and kidney effects, and low infant birthweight.

(5) PFAS have been detected in drinking water used by millions of individuals in the United States.

(6) Federal regulation of PFAS has expanded, but remains incomplete, fragmented across multiple environmental statutes, and insufficient to address the full life cycle of production, use, release, exposure, treatment, destruction, and accountability.

(7) Regulatory action, cleanup, exposure reduction, safer alternatives, and medical monitoring depend on scientific analysis of toxicity, exposure pathways, environmental fate and transport, treatment methods, destruction methods, and health effects.

(8) Federal research efforts relating to PFAS have been fragmented across agencies and should be coordinated to support public health, environmental protection, safer substitutes, treatment technology, destruction technology, and implementation by Federal, State, Tribal, and local governments.

(9) Removing PFAS from water imposes significant capital, operation, maintenance, monitoring, disposal, and compliance costs on community water systems, treatment works, schools, households, and affected communities.

(10) Such costs are currently borne in significant part by public water systems, treatment works, taxpayers, and ratepayers, even though such contamination resulted from the manufacture, processing, distribution, use, release, and disposal of PFAS in commerce.

(11) Manufacturers and other responsible parties should bear a fair share of the costs of testing, monitoring, treatment, cleanup, disposal, medical monitoring, research, and public accountability associated with PFAS.

(12) Individuals significantly exposed to PFAS should have access to appropriate legal and equitable remedies, including medical monitoring where warranted.

(b) Purposes.—The purposes of this subtitle are—

(1) to reduce exposure to PFAS in air, water, soil, food, consumer products, workplaces, schools, and communities;

(2) to codify, preserve, and strengthen Federal protections for drinking water, cleanup, testing, disclosure, treatment, and control of PFAS;

(3) to require testing, analytical standards, reporting, and controls for PFAS throughout their life cycle;

(4) to protect drinking water systems, treatment works, schools, households, and disproportionately exposed communities from PFAS;

(5) to reduce Federal procurement and food-packaging exposure to PFAS;

(6) to ensure that manufacturers and responsible parties bear a fair share of the costs of contamination, treatment, cleanup, medical monitoring, research, and accountability; and

(7) to coordinate Federal research, development, and implementation of safer alternatives, treatment methods, destruction methods, exposure protections, and health protections.

SEC. 1232. SUPERFUND DESIGNATION AND CLEANUP ACCOUNTABILITY.

(a) Codification of CERCLA hazardous substance designation for PFOA and PFOS.—

(1) Incorporation of rule.—The provisions of the final rule promulgated by the Environmental Protection Agency, entitled "Designation of Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonic Acid (PFOS) as CERCLA Hazardous Substances", as published in the Federal Register on May 8, 2024 (89 Fed. Reg. 39124), are incorporated into this Act and shall be treated as though such provisions are set forth in this subsection.

(2) Effect of incorporation.—The regulations incorporated under paragraph (1) are established as minimum hazardous substance designations by this Act, and may be weakened only by means of an Act of Congress. To the extent that any provision of such regulations does not conform with this Act, the provisions of this Act shall govern.

(3) Rule of construction.—Nothing in this subsection shall be construed to limit any existing authority of the Environmental Protection Agency to designate additional perfluoroalkyl or polyfluoroalkyl substances as hazardous substances under section 102(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9602(a)) or to impose stricter cleanup, reporting, remediation, or enforcement requirements.

(b) Deadline for additional determinations.—Not later than July 1, 2029, the Administrator of the Environmental Protection Agency shall determine whether to designate all perfluoroalkyl and polyfluoroalkyl substances, other than those perfluoroalkyl and polyfluoroalkyl substances designated pursuant to subsection (a), as hazardous substances under section 102(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9602(a)) individually or in groups.

(c) Review.—

(1) In general.—Not later than July 1, 2029, the Administrator of the Environmental Protection Agency shall submit to the appropriate congressional committees a report containing a review of actions by the Environmental Protection Agency to clean up contamination of the substances designated pursuant to subsection (a).

(2) Matters included.—The report under paragraph (1) shall include an assessment of cleanup progress and effectiveness, including the following:

(A) The number of sites where the Environmental Protection Agency has acted to remediate contamination of the substances designated pursuant to subsection (a).

(B) Which types of chemicals relating to such substances were present at each site and the extent to which each site was contaminated.

(C) An analysis of discrepancies in cleanup between Federal and non-Federal contamination sites.

(D) Any other elements the Administrator may determine necessary.

(3) Appropriate congressional committees defined.—In this subsection, the term "appropriate congressional committees" means the following:

(A) The Committee on Energy and Commerce of the House of Representatives.

(B) The Committee on the Environment and Public Works of the Senate.

SEC. 1233. TESTING, ANALYTICAL STANDARDS, AND CHEMICAL CONTROLS.

(a) Testing requirements.—Section 4(a) of the Toxic Substances Control Act (15 U.S.C. 2603(a)) is amended by adding at the end the following:

"(5) Perfluoroalkyl and polyfluoroalkyl substances rule.—

"(A) Rule.—Notwithstanding paragraphs (1) through (3), the Administrator shall, by rule, require that comprehensive toxicity testing be conducted on all chemical substances that are perfluoroalkyl or polyfluoroalkyl substances.

"(B) Requirements.—In issuing a rule under subparagraph (A), the Administrator—

"(i) may establish categories of perfluoroalkyl and polyfluoroalkyl substances based on hazard characteristics or chemical properties;

"(ii) shall require the development of information relating to perfluoroalkyl and polyfluoroalkyl substances that the Administrator determines is likely to be useful in evaluating the hazard and risk posed by such substances in land, air, and water (including drinking water and water used for agricultural purposes), as well as in products; and

"(iii) may allow for varied or tiered testing requirements based on hazard characteristics or chemical properties of perfluoroalkyl and polyfluoroalkyl substances or categories of perfluoroalkyl and polyfluoroalkyl substances.

"(C) Deadlines.—The Administrator shall issue—

"(i) a proposed rule under subparagraph (A) not later than 6 months after the date of enactment of this paragraph; and

"(ii) a final rule under subparagraph (A) not later than 2 years after the date of enactment of this paragraph.".

(b) Persons subject to rule.—Section 4(b)(3) of the Toxic Substances Control Act (15 U.S.C. 2603(b)(3)) is amended—

(1) in subparagraph (A), by striking "subparagraph (B) or (C)" and inserting "subparagraph (B), (C), or (D)"; and

(2) by adding at the end the following:

"(D) A rule under subsection (a)(5) shall require the development of information by any person who manufactures or processes, or intends to manufacture or process, a chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance.".

(c) Perfluoroalkyl and polyfluoroalkyl substances.—Section 4 of the Toxic Substances Control Act (15 U.S.C. 2603) is amended by adding at the end the following:

"(i) Perfluoroalkyl and polyfluoroalkyl substances.—

"(1) Testing requirement rule.—

"(A) Protocols and methodologies.—In determining the protocols and methodologies to be included pursuant to subsection (b)(1) in a rule under subsection (a)(5), the Administrator shall allow for protocols and methodologies that test chemical substances that are perfluoroalkyl and polyfluoroalkyl substances as a class.

"(B) Period.—In determining the period to be included pursuant to subsection (b)(1) in a rule under subsection (a)(5), the Administrator shall ensure that the period is as short as possible while allowing for completion of the required testing.

"(2) Exemptions.—In carrying out subsection (c) with respect to a chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance, the Administrator—

"(A) may only determine under subsection (c)(2) that information would be duplicative if the chemical substance with respect to which the application for exemption is submitted is in the same category, as established under subsection (a)(5)(B)(i), as a chemical substance for which information has been submitted to the Administrator in accordance with a rule, order, or consent agreement under subsection (a) or for which information is being developed pursuant to such a rule, order, or consent agreement; and

"(B) shall publish a list of all such chemical substances for which an exemption under subsection (c) is granted.

"(j) Analytical reference standards for PFAS.—

"(1) Submission.—

"(A) In general.—Not later than January 1, 2027, the Administrator shall, by order or rule, require persons who manufacture or process a covered chemical substance to—

"(i) submit to the Administrator an analytical reference standard for, or sample of, such covered chemical substance, including any such covered chemical substance manufactured or processed by the person during the 10-year period ending on the date of enactment of this subsection; and

"(ii) periodically resubmit such an analytical reference standard or sample, as determined appropriate by the Administrator.

"(B) Mixtures.—The Administrator may, by order or rule, require persons who manufacture or process a mixture containing a covered chemical substance to submit to the Administrator an analytical reference standard for, or sample of, such mixture.

"(2) Uses.—The Administrator may use an analytical reference standard or sample submitted under this subsection or provide an analytical reference standard or sample

submitted under this subsection to a State, research institution, or another Federal agency, for—

"(A) the development of information, protocols, and methodologies, which may be carried out by an entity determined appropriate by the Administrator; and

"(B) activities relating to the implementation or enforcement of Federal or State requirements.

"(3) Prioritization.—In carrying out this subsection, the Administrator shall—

"(A) prioritize covered chemical substances that are included in the list of toxic chemicals subject to the requirements of section 313(c) of the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11023(c)); and

"(B) for covered chemical substances not described in subparagraph (A), prioritize covered chemical substances based on production volume.

"(4) Prohibition.—No person receiving an analytical reference standard or sample submitted under this subsection may use or transfer the analytical reference standard or sample for a commercial purpose.

"(5) Definition.—In this subsection, the term 'covered chemical substance' means a perfluoroalkyl or polyfluoroalkyl substance with at least one fully fluorinated carbon atom that is included in the chemical substance list compiled and published under section 8(b).".

(d) Manufacturing and processing notices for perfluoroalkyl and polyfluoroalkyl substances.—Section 5 of the Toxic Substances Control Act (15 U.S.C. 2604) is amended—

(1) in subsection (h), by adding at the end the following:

"(7) PFAS.—

"(A) In general.—Except as provided in subparagraph (B), this subsection does not apply to any chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance.

"(B) Drugs and devices.—Paragraph (3) applies to a chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance which is manufactured or processed, or proposed to be manufactured or processed, solely for purposes of—

"(i) scientific experimentation or analysis with respect to a drug or device (as such terms are defined in section 201 of the Federal Food, Drug, and Cosmetic Act) or personal protective equipment (as such term is defined in section 20005 of the CARES Act); or

"(ii) chemical research on, or analysis of, such a chemical substance for the development of a drug or device (as such terms are defined in section 201 of the Federal Food, Drug, and Cosmetic Act) or personal protective equipment (as such term is defined in section 20005 of the CARES Act)."; and

(2) by adding at the end the following:

"(j) Perfluoroalkyl and polyfluoroalkyl substances.—

"(1) Determination.—For a period of 5 years beginning on the date of enactment of this subsection, any chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance for which a notice is submitted under subsection (a) shall be deemed to have been determined by the Administrator to present an unreasonable risk of injury to health or the environment under paragraph (3)(A) of such subsection.

"(2) Order.—Notwithstanding subsection (a)(3)(A), for a chemical substance described in paragraph (1) of this subsection, the Administrator shall issue an order under subsection (f)(3) to prohibit the manufacture, processing, and distribution in commerce of such chemical substance.".

(e) PFAS data call.—Section 8(a)(7) of the Toxic Substances Control Act (15 U.S.C. 2607(a)(7)) is amended by inserting "that contains at least 1 fully fluorinated carbon atom," after "perfluoroalkyl or polyfluoroalkyl substance".

SEC. 1234. DRINKING WATER PROTECTIONS AND COMMUNITY ASSISTANCE.

(a) Codification of PFAS national primary drinking water regulation.—

(1) Incorporation of rule.—The provisions of the final rule promulgated by the Environmental Protection Agency, entitled "PFAS National Primary Drinking Water Regulation", as published in the Federal Register on April 26, 2024 (89 Fed. Reg. 32532), are incorporated into this Act and shall be treated as though such provisions are set forth in this subsection.

(2) Effect of incorporation.—The regulations incorporated under paragraph (1) are established as the minimum national primary drinking water regulation for PFAS by this Act, and may be weakened only by means of an Act of Congress. To the extent that any provision of such regulations does not conform with this Act, the provisions of this Act shall govern.

(3) Rule of construction.—Nothing in this subsection shall be construed to limit any existing authority of the Environmental Protection Agency to impose stricter national primary drinking water regulations, monitoring requirements, treatment requirements, public notification requirements, health advisories, or other requirements relating to perfluoroalkyl or polyfluoroalkyl substances under the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

(b) Additional PFAS drinking water regulations and health advisories.—

(1) Regulation of additional substances.—

(A) Determination.—The Administrator of the Environmental Protection Agency shall make a determination under section 1412(b)(1)(A) of the Safe Drinking Water Act (42 U.S.C. 300g–1(b)(1)(A)), using the criteria described in clauses (i) through (iii) of that

section, whether to regulate a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances not subject to the national primary drinking water regulation incorporated under subsection (a) not later than 18 months after the later of—

(i) the date on which the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances is listed on the list of contaminants for consideration of regulation under section 1412(b)(1)(B)(i) of the Safe Drinking Water Act (42 U.S.C. 300g–1(b)(1)(B)(i)); and

(ii) the date on which—

(I) the Administrator has received the results of monitoring under section 1445(a)(2)(B) of the Safe Drinking Water Act (42 U.S.C. 300j–4(a)(2)(B)) for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances; or

(II) the Administrator has received reliable water data or water monitoring surveys for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances from a Federal or State agency that the Administrator determines to be of a quality sufficient to make a determination under section 1412(b)(1)(A) of the Safe Drinking Water Act (42 U.S.C. 300g–1(b)(1)(A)).

(B) Primary drinking water regulations.—

(i) In general.—For each perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances that the Administrator determines to regulate under subparagraph (A), the Administrator—

(I) not later than 18 months after the date on which the Administrator makes the determination, shall propose a national primary drinking water regulation for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances; and

(II) may publish the proposed national primary drinking water regulation described in subclause (I) concurrently with the publication of the determination to regulate the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances.

(ii) Deadline.—

(I) In general.—Not later than 1 year after the date on which the Administrator publishes a proposed national primary drinking water regulation under clause (i)(I), and subject to subclause (II), the Administrator shall take final action on the proposed national primary drinking water regulation.

(II) Extension.—The Administrator, on publication of notice in the Federal Register, may extend the deadline under subclause (I) by not more than 6 months.

(2) Health advisory.—

(A) In general.—Subject to subparagraph (B), the Administrator shall publish a health advisory under section 1412(b)(1)(F) of the Safe Drinking Water Act (42 U.S.C. 300g–1(b)(1)(F)) for a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances not subject to a national primary drinking water regulation not later than 1 year after the later of—

(i) the date on which the Administrator finalizes a toxicity value for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances; and

(ii) the date on which the Administrator validates an effective quality control and testing procedure for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances.

(B) Waiver.—The Administrator may waive the requirements of subparagraph (A) with respect to a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl and polyfluoroalkyl substances if the Administrator determines that there is a substantial likelihood that the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances will not occur in drinking water with sufficient frequency to justify the publication of a health advisory, and publishes such determination, including the information and analysis used, and basis for, such determination, in the Federal Register.

(c) Assistance to Territories for addressing emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances.—Section 1452(t) of the Safe Drinking Water Act (42 U.S.C. 300j–12(t)) is amended—

(1) in paragraph (1), by striking "Amounts" and inserting "Subject to paragraph (2)";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) Assistance to territories.—The Administrator shall reserve not less than 2 percent of the amounts made available under this subsection to provide grants to the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and Guam for the purpose of addressing emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances.".

(d) Establishment of PFAS infrastructure grant program.—Part E of the Safe Drinking Water Act (42 U.S.C. 300j et seq.) is amended by adding at the end the following new section:

"Sec. 1459H. Assistance for community water systems affected by PFAS.

"(a) Establishment.—Not later than 180 days after the date of enactment of this section, the Administrator shall establish a program to award grants to affected community water systems to pay for capital costs associated with the implementation of eligible treatment technologies.

"(b) Applications.—

"(1) Guidance.—Not later than 12 months after the date of enactment of this section, the Administrator shall publish guidance describing the form and timing for community water systems to apply for grants under this section.

"(2) Required information.—The Administrator shall require a community water system applying for a grant under this section to submit—

"(A) information showing the presence of PFAS in water of the community water system; and

"(B) a certification that the treatment technology in use by the community water system at the time of application is not sufficient to meet all applicable Federal and State standards, and all applicable health advisories published pursuant to section 1412(b)(1)(F), for PFAS.

"(c) List of eligible treatment technologies.—Not later than 150 days after the date of enactment of this section, and every 2 years thereafter, the Administrator shall publish a list of treatment technologies that the Administrator determines are the most effective at removing PFAS from drinking water.

"(d) Priority for funding.—In awarding grants under this section, the Administrator shall prioritize an affected community water system that—

"(1) serves a disadvantaged community;

"(2) will provide at least a 10-percent cost share for the cost of implementing an eligible treatment technology;

"(3) demonstrates the capacity to maintain the eligible treatment technology to be implemented using the grant; or

"(4) is located within an area with respect to which the Administrator has published a determination under the first sentence of section 1424(e) relating to an aquifer that is the sole or principal drinking water source for the area.

"(e) No increased bonding authority.—Amounts awarded to affected community water systems under this section may not be used as a source of payment of, or security for (directly or indirectly), in whole or in part, any obligation the interest on which is exempt from the tax imposed under chapter 1 of the Internal Revenue Code of 1986.

"(f) Authorization of appropriations.—

"(1) In general.—There is authorized to be appropriated to carry out this section $500,000,000 for each of fiscal years 2027 through 2031.

"(2) Special rule.—Of the amounts authorized to be appropriated by paragraph (1), $25,000,000 are authorized to be appropriated for each of fiscal years 2027 and 2028 for grants under subsection (a) to pay for capital costs associated with the implementation of eligible treatment technologies during the period beginning on October 1, 2017, and ending on the date of enactment of this section.

"(g) Definitions.—In this section:

"(1) Affected community water system.—The term 'affected community water system' means a community water system that is affected by the presence of PFAS in the water in the community water system.

"(2) Disadvantaged community.—The term 'disadvantaged community' has the meaning given that term in section 1452.

"(3) Eligible treatment technology.—The term 'eligible treatment technology' means a treatment technology included on the list published under subsection (c).

"(4) PFAS.—The term 'PFAS' means a perfluoroalkyl or polyfluoroalkyl substance with at least one fully fluorinated carbon atom.".

(e) School drinking water testing and filtration grant program.—Part F of the Safe Drinking Water Act (42 U.S.C. 300j–21 et seq.) is amended by adding at the end the following:

"Sec. 1466. School PFAS testing and filtration grant program.

"(a) In general.—Not later than 1 year after the date of enactment of this section, the Administrator shall establish a program to make grants to States and Indian Tribes to assist local educational agencies, public water systems that serve schools and child care programs under the jurisdiction of those local educational agencies, and qualified nonprofit organizations in—

"(1) testing for perfluoroalkyl and polyfluoroalkyl substances in drinking water at such schools and child care program facilities that is conducted by a qualified entity, as determined by the Administrator or the applicable State;

"(2) installation, maintenance, and repair of water filtration systems effective for reducing perfluoroalkyl and polyfluoroalkyl substances in drinking water at such schools and child care program facilities that contain a level of any perfluoroalkyl or polyfluoroalkyl substance that exceeds—

"(A) an applicable maximum contaminant level established by the Administrator under section 1412; or

"(B) an applicable standard established by the applicable State that is more stringent than the level described in subparagraph (A); or

"(3) safe disposal of spent water filtration equipment used to reduce perfluoroalkyl and polyfluoroalkyl substances in drinking water at schools and child care program facilities.

"(b) Direct grants.—The Administrator may make a grant for activities described in subsection (a) directly available to—

"(1) a local educational agency or public water system that is located in a State that does not participate in the grant program established under subsection (a); or

"(2) a qualified nonprofit organization, as determined by the Administrator.

"(c) Application.—To be eligible to receive a grant under this section, a State, Indian Tribe, local educational agency, public water system, or qualified nonprofit organization shall submit to the Administrator an application at such time, in such manner, and containing such information as the Administrator may require.

"(d) Guidance; public availability.—As a condition of receiving a grant under this section, a State, Indian Tribe, local educational agency, public water system, or qualified nonprofit organization shall—

"(1) expend grant funds in accordance with any applicable State regulation or guidance regarding the reduction of perfluoroalkyl and polyfluoroalkyl substances in drinking water at schools or child care program facilities that is not less stringent than any applicable guidance issued by the Administrator;

"(2) make publicly available, including, to the maximum extent practicable, on the website of the State, Indian Tribe, local educational agency, public water system, or qualified nonprofit organization, a copy of the results of any testing carried out with grant funds received under this section; and

"(3) notify parent, teacher, and employee organizations of the availability of the results described in paragraph (2).

"(e) Limitation.—Not more than 5 percent of the grant funds accepted by a State, Indian Tribe, local educational agency, public water system, or qualified nonprofit organization for a fiscal year under this section may be used to pay the administrative costs of carrying out activities described in subsection (a).

"(f) Definitions.—In this section, the terms 'child care program' and 'local educational agency' have the meaning given such terms in section 1464(d).

"(g) Authorization of appropriation.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2027 through 2031, to remain available until expended.".

(f) Household well water testing website.—

(1) In general.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall establish a website containing information relating to the testing of household well water.

(2) Contents.—The Administrator shall include on the website established under paragraph (1) the following:

(A) Information on how to have an inspector, who is certified by a qualified third party, test the groundwater that is the source for a household water well.

(B) A list of laboratories that analyze water samples and are certified by a State or the Administrator.

(C) State-specific information, developed in coordination with each State, on naturally occurring and human-induced contaminants.

(D) Information that, using accepted risk communication techniques, clearly communicates whether a test result value exceeds a level determined by the Administrator or the applicable State to pose a health risk.

(E) Information on treatment options, including information relating to water treatment systems certified to the relevant NSF/ANSI American National Standard for drinking water treatment units by a third-party certification body accredited by the ANSI National Accreditation Board.

(F) A directory of whom to contact to report a test result value that exceeds a level determined by the Administrator or the applicable State to pose a health risk.

(G) Information on financial assistance that is available for homeowners to support water treatment, including grants under section 306E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e) and State resources.

(H) Information about the health risks associated with consuming water contaminated with perfluoroalkyl and polyfluoroalkyl substances as well as recommendations for individuals who believe they may have consumed such contaminated water.

(I) Any other information the Administrator considers appropriate.

(3) Access.—The Administrator shall ensure information on the website established under paragraph (1) is presented in a manner that provides meaningful access to such information for individuals with limited English proficiency.

(4) Coordination.—The Administrator shall coordinate with the Secretary of Health and Human Services, the Secretary of Agriculture, and appropriate State agencies in carrying out this subsection.

(5) Authorization of appropriations.—There is authorized to be appropriated to carry out this subsection $1,000,000 for fiscal year 2027.

SEC. 1235. AIR, WASTEWATER, DISPOSAL, AND INDUSTRIAL DISCLOSURE.

(a) Listing of perfluoroalkyl and polyfluoroalkyl substances as hazardous air pollutants.—

(1) Listing.—

(A) Initial listing.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall issue a final rule adding perfluorooctanoic acid and its salts, and perfluorooctanesulfonic acid and its salts, to the list of hazardous air pollutants under section 112(b) of the Clean Air Act (42 U.S.C. 7412(b)).

(B) Additional listings.—Not later than 5 years after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall determine whether to issue, in accordance with section 112 of the Clean Air Act (42 U.S.C. 7412), any final rules adding perfluoroalkyl and polyfluoroalkyl substances, other than those perfluoroalkyl and polyfluoroalkyl substances listed pursuant to subparagraph (A), to the list of hazardous air pollutants under section 112(b) of such Act.

(2) Source categories.—Not later than 365 days after any final rule is issued pursuant to paragraph (1), the Administrator of the Environmental Protection Agency shall revise the list under section 112(c)(1) of the Clean Air Act (42 U.S.C. 7412(c)(1)) to include categories and subcategories of major sources and area sources of perfluoroalkyl and polyfluoroalkyl substances listed pursuant to such final rule.

(b) Prohibition on unsafe waste incineration of PFAS.—Section 3004 of the Solid Waste Disposal Act (42 U.S.C. 6924) is amended by adding at the end the following new subsection:

"(z) PFAS wastes.—

"(1) Firefighting foam.—Not later than 6 months after the date of enactment of this subsection, the Administrator shall promulgate regulations requiring that when materials containing perfluoroalkyl and polyfluoroalkyl substances are disposed or are designated for disposal—

"(A) all incineration is conducted in a manner that eliminates perfluoroalkyl and polyfluoroalkyl substances while also minimizing perfluoroalkyl and polyfluoroalkyl substances emitted into the air to the extent feasible;

"(B) all storage of such materials that are designated for disposal are stored in accordance with the requirement under part 264 of title 40, Code of Federal Regulations; and

"(C) all incineration is conducted at a facility that has been permitted to receive waste regulated under this subtitle.

"(2) Penalties.—For purposes of section 3008(d), a material subject to a requirement under this subsection shall be considered a hazardous waste identified or listed under this subtitle.".

(c) Disclosure of introductions of PFAS.—

(1) In general.—The introduction of any perfluoroalkyl or polyfluoroalkyl substance by the owner or operator of an industrial source shall be unlawful unless such owner or operator first notifies the owner or operator of the applicable treatment works of—

(A) the identity and quantity of such substance;

(B) whether such substance is susceptible to treatment by such treatment works; and

(C) whether such substance would interfere with the operation of the treatment works.

(2) Violations.—A violation of this subsection shall be treated in the same manner as a violation of a regulation promulgated under subsection 307(b) of the Federal Water Pollution Control Act (33 U.S.C. 1317(b)).

(3) Definitions.—In this subsection:

(A) Introduction.—The term "introduction" means the introduction of pollutants into treatment works, as described in section 307(b) of the Federal Water Pollution Control Act (33 U.S.C. 1317(b)).

(B) Treatment works.—The term "treatment works" has the meaning given that term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

(d) Risk-communication strategy.—The Administrator of the Environmental Protection Agency shall develop a risk-communication strategy to inform the public about the hazards or potential hazards of perfluoroalkyl and polyfluoroalkyl substances, or categories of perfluoroalkyl and polyfluoroalkyl substances, by—

(1) disseminating information about the risks or potential risks posed by such substances or categories in land, air, water (including drinking water and water used for agricultural purposes), and products;

(2) notifying the public about exposure pathways and mitigation measures through outreach and educational resources; and

(3) consulting with States that have demonstrated effective risk-communication strategies for best practices in developing a national risk-communication strategy.

(e) Clean Water Act effluent limitations guidelines and standards and water quality criteria for PFAS.—

(1) Deadlines.—

(A) Water quality criteria.—Not later than 3 years after the date of enactment of this subsection, the Administrator shall publish in the Federal Register human health water quality criteria under section 304(a)(1) of the Federal Water Pollution Control Act (33 U.S.C. 1314) for each measurable perfluoroalkyl substance, polyfluoroalkyl substance, and class of such substances.

(B) Effluent limitations guidelines and standards for priority industry categories.—As soon as practicable, but not later than 4 years after the date of enactment of this subsection, the Administrator shall publish in the Federal Register a final rule establishing, for each priority industry category, effluent limitations guidelines and standards, in accordance with the Federal Water Pollution Control Act, for the discharge (including a discharge into a publicly owned treatment works) of each measurable perfluoroalkyl substance, polyfluoroalkyl substance, and class of such substances.

(2) Notification.—The Administrator shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate of each publication made under this subsection.

(3) Implementation assistance for publicly owned treatment works.—

(A) In general.—The Administrator shall award grants to owners and operators of publicly owned treatment works, to be used to implement effluent limitations guidelines and standards developed by the Administrator for a perfluoroalkyl substance, polyfluoroalkyl substance, or class of such substances.

(B) Authorization of appropriations.—There is authorized to be appropriated to the Administrator to carry out this paragraph $200,000,000 for each of fiscal years 2027 through 2031, to remain available until expended.

(4) No increased bonding authority.—Amounts awarded to an owner or operator of a publicly owned treatment works under this subsection may not be used as a source of payment of, or security for (directly or indirectly), in whole or in part, any obligation the interest on which is exempt from the tax imposed under chapter 1 of the Internal Revenue Code of 1986.

(5) Definitions.—In this subsection:

(A) Administrator.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(B) Effluent limitation.—The term "effluent limitation" has the meaning given that term in section 502 of the Federal Water Pollution Control Act (33 U.S.C. 1362).

(C) Measurable.—The term "measurable" means, with respect to a chemical substance or class of chemical substances, capable of being measured using test procedures established under section 304(h) of the Federal Water Pollution Control Act (33 U.S.C. 1314).

(D) Perfluoroalkyl substance.—The term "perfluoroalkyl substance" means a chemical of which all of the carbon atoms are fully fluorinated carbon atoms.

(E) Polyfluoroalkyl substance.—The term "polyfluoroalkyl substance" means a chemical containing at least 1 fully fluorinated carbon atom and at least 1 carbon atom that is not a fully fluorinated carbon atom.

(F) Priority industry category.—The term "priority industry category" means the following point source categories:

(i) Organic chemicals, plastics, and synthetic fibers, as identified in part 414 of title 40, Code of Federal Regulations (or successor regulations).

(ii) Pulp, paper, and paperboard, as identified in part 430 of title 40, Code of Federal Regulations (or successor regulations).

(iii) Textile mills, as identified in part 410 of title 40, Code of Federal Regulations (or successor regulations).

(iv) Electroplating, as identified in part 413 of title 40, Code of Federal Regulations (or successor regulations).

(v) Metal finishing, as identified in part 433 of title 40, Code of Federal Regulations (or successor regulations).

(vi) Leather tanning and finishing, as identified in part 425 of title 40, Code of Federal Regulations (or successor regulations).

(vii) Paint formulating, as identified in part 446 of title 40, Code of Federal Regulations (or successor regulations).

(viii) Electrical and electronic components, as identified in part 469 of title 40, Code of Federal Regulations (or successor regulations).

(ix) Plastics molding and forming, as identified in part 463 of title 40, Code of Federal Regulations (or successor regulations).

(G) Treatment works.—The term "treatment works" has the meaning given that term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

(f) Investigation of prevention of contamination by GenX.—The Administrator of the Environmental Protection Agency shall investigate methods and means to prevent contamination by GenX of ground and surface waters, including source waters used for drinking water purposes.

SEC. 1236. PFAS-FREE PRODUCTS STANDARDS AND FEDERAL PROCUREMENT.

(a) Definitions.—In this section:

(1) Covered item.—The term “covered item” means—

(A) nonstick cookware and a cooking utensil; and

(B) furniture, carpet, and any rug treated with stain-resistant coating.

(2) Covered product.—The term “covered product” means—

(A) a pot;

(B) a pan;

(C) a cooking utensil;

(D) carpet;

(E) a rug;

(F) clothing;

(G) upholstered furniture;

(H) a stain resistant, water resistant, or grease resistant coating not subject to requirements under section 409 of the Federal Food, Drug, and Cosmetic Act;

(I) food packaging material;

(J) an umbrella;

(K) luggage; or

(L) a cleaning product.

(3) Executive agency.—The term “executive agency” has the meaning given the term in section 133 of title 41, United States Code.

(4) PFAS.—The term “PFAS” means a perfluoroalkyl or polyfluoroalkyl substance with at least 1 fully fluorinated carbon atom.

(5) PFOA.—The term “PFOA” means perfluorooctanoic acid.

(6) PFOS.—The term “PFOS” means perfluorooctane sulfonate.

(b) Label for PFAS-free products.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall—

(1) revise the Safer Choice Standard of the Safer Choice Program to identify the requirements for a covered product to meet in order to be labeled with a Safer Choice label, including a requirement that any such covered product does not contain any PFAS; or

(2) establish a voluntary label that is available to be used by any manufacturer of any covered product that the Administrator has reviewed and found does not contain any PFAS.

(c) Prohibition against food packaging containing intentionally added PFAS.—

(1) In general.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding at the end the following:

"(fff) (1) The introduction or delivery for introduction into interstate commerce of food packaging containing intentionally added PFAS.

"(2) The term 'PFAS' means a perfluoroalkyl substance or a polyfluoroalkyl substance that is man-made with at least 1 fully fluorinated carbon atom.".

(2) Applicability.—The amendment made by paragraph (1) applies beginning on January 1, 2027.

(d) Prohibition on procurement of certain items containing PFOS or PFOA.—

(1) Prohibition.—The head of an executive agency may not renew or enter into a contract for the procurement of a covered item that contains PFOS or PFOA.

(2) Priority procurement of products not containing PFAS.—The head of an executive agency shall prioritize the procurement of covered items, where available and practicable, that do not contain PFAS.

(3) Federal facility contracts.—A contract entered into by the head of an executive agency for the operation, management, maintenance, food service, custodial service, or supply of a Federal facility shall require the contractor to comply with paragraphs (1) and (2) with respect to any covered item purchased, supplied, used, or made available under the contract.

(e) Effective date.—This section shall take effect on January 1, 2027.

SEC. 1237. RESEARCH, EVALUATION, AND COORDINATION.

(a) Definitions.—In this section:

(1) National Academies.—The term "National Academies" means the National Academies of Sciences, Engineering, and Medicine.

(2) PFAS.—The term "PFAS" means per- and polyfluoroalkyl substances, including mixtures of such substances.

(b) PFAS interagency working group.—Section 332(b) of William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 8963(b)) is amended—

(1) in paragraph (19), by striking "and" at the end;

(2) by redesignating paragraph (20) as paragraph (21); and

(3) by inserting after paragraph (19), the following:

"(20) the Consumer Product Safety Commission; and".

(c) Research assessments of PFAS.—

(1) In general.—Not later than 90 days after the date on which amounts are appropriated for fiscal year 2027 to carry out this subsection, the Administrator of the Environmental Protection Agency, in consultation with the Director of the National Science Foundation, the Secretary of Defense, the Director of the National Institutes of Health, and other Federal agencies with expertise relevant to understanding PFAS exposure, behavior, and toxicity, shall enter into an agreement with the National Academies to conduct a study and submit a report in accordance with this subsection to further address research and knowledge gaps identified by the Federal Government Human Health PFAS Research Workshop held on October 26 and 27, 2020, and identify research and development needed to identify, categorize, evaluate, and address individual or total PFAS.

(2) Study and report on human exposure estimation.—

(A) In general.—The study required to be conducted under paragraph (1) shall, at a minimum—

(i) consider life-cycle information on the manufacture, use, and disposal of PFAS-containing products to identify potential human exposure sources, including occupational exposures, and potential exposure pathways for the public;

(ii) evaluate the fate and transport of PFAS and their breakdown products;

(iii) if feasible, estimate human exposure to individual or total PFAS to determine relative source contributions for various exposure pathways (such as air, water, soil, or food);

(iv) determine the range of solubility, stability, and volatility of PFAS most likely to be found in the environment and the resulting prevalence in animals and humans;

(v) give consideration as to whether chemical category-based approaches would be appropriate for evaluating PFAS toxicity and exposure;

(vi) identify research needed to advance exposure estimation to individual or total PFAS; and

(vii) identify research needed to advance toxicity and hazard assessment of individual or total PFAS.

(B) Report.—Not later than 540 days after the date on which the agreement described in paragraph (1) is finalized, the National Academies shall submit to Congress

a report containing the findings and recommendations of the study described in subparagraph (A) and shall make such report available on a publicly accessible website.

(d) Research assessment of management and treatment alternatives for PFAS contamination in the environment.—

(1) In general.—Not later than 90 days after the date on which amounts are appropriated for fiscal year 2027 to carry out this subsection, the Administrator of the Environmental Protection Agency and the Director of the National Science Foundation, in consultation with the Secretary of Defense and other Federal agencies with expertise relevant to the development of PFAS alternatives and the management and treatment of PFAS, shall jointly enter into an agreement with the National Academies to conduct a study and submit a report in accordance with this subsection to better understand the research and development needed to advance the understanding of the extent and implications of human and environmental contamination by PFAS, how to manage and treat such contamination, and the development of safe alternatives.

(2) Scope of study.—The study described in paragraph (1) shall, at a minimum, include the following:

(A) An assessment of the best available strategies for PFAS treatment, site remediation, and safe disposal, including demonstration or pilot projects related to destruction methods and alternative materials or tools for firefighters.

(B) A description of the research gaps relating to such issues, including consideration of emerging or future PFAS and potential classification methods.

(C) Recommendations on how the Federal Government can best address the research needs identified pursuant to subparagraph (B) through increased collaboration or coordination of existing and new programs.

(D) Recommendations on how research can best incorporate considerations of socioeconomic issues into the development of research proposals and the conduct of research.

(3) Report.—Not later than 540 days after the date on which the agreement described in paragraph (1) is finalized, the National Academies shall submit to Congress a report containing the findings and recommendations of the study described in paragraph (2) and shall make such report available on a publicly accessible website.

(e) Implementation plan.—Not later than 180 days after submission to Congress of the latest of the National Academies reports under subsections (c) and (d), the Director of the Office of Science and Technology Policy, in coordination with all relevant Federal agencies, shall submit to Congress an implementation plan for increased collaboration and coordination of Federal PFAS research, development, and demonstration activities. In preparing such an implementation plan, the Director shall take into consideration the recommendations included in the reports under subsections (c) and (d).

(f) Authorization of appropriations for National Academies reports.—There is authorized to be appropriated for fiscal year 2027 $3,000,000 to the Administrator of the Environmental Protection Agency to carry out subsections (c) and (d).

(g) Extension of authorization for PFAS research and development.—Section 7362(b) of the National Defense Authorization Act for Fiscal Year 2020 (15 U.S.C. 8962(b)) is amended by striking "2024" and inserting "2030".

SEC. 1238. MANUFACTURER USER FEES AND TREATMENT TRUST FUND.

(a) Definitions.—In this section:

(1) Administrator.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) Affected facility.—The term "affected facility" means—

(A) a community water system that has operation and maintenance costs associated with the removal of PFAS from water of the community water system; or

(B) a treatment works that has operation and maintenance costs associated with the removal of PFAS from effluent prior to discharge from the treatment works.

(3) Community water system.—The term "community water system" has the meaning given that term in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f).

(4) Disadvantaged community.—The term "disadvantaged community" has the meaning given that term in section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12).

(5) Manufacture.—The term "manufacture" has the meaning given that term in section 3 of the Toxic Substances Control Act (15 U.S.C. 2602).

(6) PFAS.—The term "PFAS" means a perfluoroalkyl or polyfluoroalkyl substance with at least one fully fluorinated carbon atom.

(7) Treatment works.—The term "treatment works" has the meaning given that term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

(b) PFAS manufacturer user fee.—

(1) In general.—The Administrator shall, by rule, establish fees for the manufacture of PFAS, which shall be assessed to each person manufacturing PFAS based on the amount of PFAS manufactured by the person.

(2) Initial fee.—Not later than 12 months after the date of enactment of this Act, the Administrator shall establish fees under paragraph (1) that are sufficient to ensure the collection of not less than $2,000,000,000 per year.

(3) Review and update.—Not less frequently than every 2 years, the Administrator shall review the fees established under paragraph (1) and update such fees as necessary to ensure that the fee collections are—

(A) not less than the amount required under paragraph (2); and

(B) sufficient to cover at least 25 percent of the operation and maintenance costs associated with the removal of PFAS by affected facilities.

(c) PFAS Treatment Trust Fund.—

(1) Establishment.—There is established in the Treasury of the United States a trust fund to be known as the "PFAS Treatment Trust Fund", consisting of such amounts as may be appropriated to such Trust Fund.

(2) Transfer to Trust Fund of amounts equivalent to user fees.—There are hereby appropriated to the PFAS Treatment Trust Fund amounts equivalent to the fees collected under subsection (b).

(3) Expenditures from Trust Fund.—Amounts in the PFAS Treatment Trust Fund shall be available, without further appropriation, only for purposes of making expenditures to carry out subsection (d).

(d) Support for operation and maintenance of community water systems and treatment works.—

(1) Grants.—The Administrator shall make grants to affected facilities to pay for operation and maintenance costs associated with the removal of PFAS.

(2) Applications.—

(A) Guidance.—Not later than 12 months after the date of enactment of this Act, the Administrator shall publish guidance describing the form and timing for affected facilities to apply for grants under this subsection.

(B) Required information.—The Administrator shall require an affected facility applying for a grant under this subsection to submit information showing the presence of PFAS in water at the facility.

(3) Priority.—The Administrator shall prioritize for funding grants to affected facilities serving disadvantaged communities.

SEC. 1239. ACCOUNTABILITY AND MEDICAL MONITORING.

(a) Cause of action and remedies.—The Toxic Substances Control Act is amended by inserting after section 24 (15 U.S.C. 2623) the following:

"Sec. 25. Individuals exposed to perfluoroalkyl and polyfluoroalkyl substances.

"(a) Definition of PFAS.—In this section, the term 'PFAS' means a perfluoroalkyl or polyfluoroalkyl substance with at least 1 fully fluorinated carbon atom.

"(b) Cause of action.—An individual who is significantly exposed to PFAS or has reasonable grounds to suspect that the individual was significantly exposed to PFAS may bring a claim, individually or on behalf of a class of similarly situated individuals, in any district court of the United States for appropriate legal and equitable relief against any person that—

"(1) engaged in any portion of a manufacturing process that created the PFAS to which the individual was significantly exposed, including any telomer, fluorosurfactant, or toll manufacturing process leading to the creation of the PFAS to which the individual was significantly exposed; and

"(2) foresaw or reasonably should have foreseen that the creation or use of PFAS would result in human exposure to PFAS.

"(c) Medical monitoring.—

"(1) In general.—A court may award medical monitoring to an individual or class of individuals bringing a claim under subsection (b) if—

"(A) the individual or class has been significantly exposed to PFAS;

"(B) as a result of that exposure, the individual or class has suffered an increased risk of developing a disease associated with exposure to PFAS;

"(C) as a result of that increased risk, there is a reasonable basis for the individual or class to undergo periodic diagnostic medical examinations of a nature or frequency that is different from or additional to what would be prescribed in the absence of the exposure; and

"(D) those medical examinations are effective in detecting a disease associated with exposure to PFAS.

"(2) Presumption of significant exposure.—

"(A) Individuals.—An individual plaintiff shall be presumed to have been significantly exposed to PFAS under paragraph (1)(A) if the individual—

"(i) demonstrates that—

"(I) the defendant engaged in any portion of a manufacturing process that created the PFAS to which the individual was significantly exposed, including any telomer, fluorosurfactant, or toll manufacturing process leading to the creation of the PFAS to which the individual was significantly exposed; and

"(II) the PFAS described in subclause (I) were released into 1 or more areas where the individual would have been exposed for a cumulative period of not less than 1 year; or

"(ii) offers testing results that demonstrate that PFAS or metabolites of PFAS have been or are currently detected in the body or blood serum of the individual.

"(B) Class actions.—In a class action, a presumption of significant exposure to PFAS under paragraph (1)(A) shall be established for the class by—

"(i) demonstrating that—

"(I) the defendant engaged in any portion of a manufacturing process that created the PFAS to which the class members were significantly exposed, including any telomer, fluorosurfactant, or toll manufacturing process leading to the creation of the PFAS to which the class members were significantly exposed; and

"(II) the PFAS described in subclause (I) were released into 1 or more areas where a representative portion of the class members would have been exposed for a cumulative period of not less than 1 year; or

"(ii) offering testing results that demonstrate that PFAS or metabolites of PFAS have been or are currently detected in the bodies of a representative portion of class members that share sufficient common exposure characteristics with the class.

"(3) Rebutting the presumption.—

"(A) In general.—A defendant may rebut a presumption of significant exposure with respect to an individual plaintiff or class member for which testing results are not offered under subparagraph (A)(ii) or (B)(ii) of paragraph (2) by offering results for that individual or class member of testing that—

"(i) uses a generally accepted method for detecting the particular PFAS or metabolites of PFAS at issue;

"(ii) is performed by an independent provider agreed on by both parties; and

"(iii) confirms that the relevant PFAS or metabolites of PFAS likely were not present in the body of the individual or class member at the relevant time in a sufficient quantity to qualify as significant exposure under paragraph (1)(A).

"(B) Costs.—A defendant shall be responsible for the costs of testing under subparagraph (A).

"(C) Independent provider.—If both parties cannot agree on an independent provider under subparagraph (A)(ii), the court shall appoint an independent provider.

"(4) Increased risk of developing disease.—

"(A) In general.—If there is insufficient toxicological data to reasonably determine whether an individual or class has suffered an increased risk of developing a disease associated with exposure to any individual PFAS or group of PFAS under paragraph

(1)(B), a court may lower the standard for scientific proof with regard to the increased risk of developing that disease until independent and reliable toxicological data is available with respect to that individual PFAS or group of PFAS.

"(B) Ordering studies.—To make available independent and reliable toxicological data described in subparagraph (A) with respect to an individual PFAS or group of PFAS, a court may order new or additional epidemiological, toxicological, or other studies or investigations of that individual PFAS or group of PFAS as part of a medical monitoring remedy awarded under paragraph (1).

"(d) Sense of Congress.—It is the sense of Congress that courts should encourage more reliable and independent research into the latent health effects of PFAS.

"(e) Effect on State law claims and remedies.—Nothing in this section—

"(1) preempts, alters, bars, or precludes any State law claims or remedies, including any State law claims or remedies for an injury addressed by this section; or

"(2) provides an exclusive claim or remedy.".

(b) Clerical amendment.—The table of contents for the Toxic Substances Control Act (Public Law 94–469; 90 Stat. 2003) is amended by inserting after the item relating to section 24 the following:

"25. Individuals exposed to perfluoroalkyl and polyfluoroalkyl substances.".

Subtitle C—Pollution Fees

SEC. 1241. FINDINGS AND PURPOSE.

(a) Findings.—Congress finds the following:

(1) Americans have a constitutional duty to secure the blessings of liberty to ourselves and our posterity. America's children are our posterity, and they are on track to inherit many environmental problems unless something is changed.

(2) Responsible adults clean up their messes—or try to avoid making them in the first place. By placing a fee on the production of plastic and carbon, an economic incentive to pollute less will be created. These fees serve as clawbacks to the payments made under the American Union Jobs Program; thereby reducing inflation in a way that supports a long-term goal of improving our children's inheritance.

(3) America produces excessive amounts of per capita plastic waste, and only about 9 percent of all the plastic ever manufactured has been recycled. A fee on the production of virgin plastic resin will spur greater demand for recycled plastic, which is exempt from the fee. At the same time, a flat $0.05 fee on plastic products will encourage more mindful consumption and less single-use plastic.

(4) A carbon fee is a widely recognized way to address the external costs of using fossil fuels. Most Western nations are implementing them, and U.S. imports to Europe will soon have to pay a carbon border tax if there is no corresponding carbon fee here. The carbon fee starts at $25 per metric ton.

(b) Purpose.—The purpose of this subtitle is to preserve the environment for ourselves and our posterity.

SEC. 1242. CARBON FEE.

(a) In general.—The Internal Revenue Code of 1986 is amended by adding at the end the following new subtitle:

"SUBTITLE L—POLLUTION FEES

"CHAPTER 101. CARBON FEES.

"CHAPTER 102. CARBON BORDER FEE ADJUSTMENT.

"CHAPTER 101—CARBON FEES

"SEC. 9901. Definitions.

"SEC. 9902. Carbon fee.

"SEC. 9903. Emissions reduction schedule.

"SEC. 9904. Decommissioning of carbon administration.

"SEC. 9905. Carbon capture and sequestration.

"SEC. 9906. Administrative authority.

"SEC. 9907. Revenues.

"Sec. 9901. Definitions.

"(a) Definitions.—For purposes of this subtitle:

"(1) Administrator.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(2) Carbon dioxide equivalent or CO2-e.—The term 'carbon dioxide equivalent' or 'CO2-e' means the number of metric tons of carbon dioxide emissions with the same global warming potential as one metric ton of another greenhouse gas.

"(3) Carbon-intensive product.—The term 'carbon-intensive product' means, as identified by the Secretary by rule—

"(A) for purposes of this chapter—

"(i) any manufactured or agricultural product which the Secretary in consultation with the Administrator determines is emissions-intensive and trade-exposed, except that no covered fuel is a carbon-intensive product, and

"(ii) until such time that the Secretary promulgates rules identifying carbon-intensive products, the following shall be considered carbon-intensive products: iron, steel, steel mill products (including pipe and tube), aluminum, cement, glass (including flat, container, and specialty glass and fiberglass), pulp, paper, chemicals, or industrial ceramics, and

"(B) for purposes of chapter 102, any economic sector, or product from that sector, which the Secretary in consultation with the Administrator determines is prone to carbon leakage because it is emissions-intensive and trade-exposed, along with other pertinent criteria, except that no covered fuel is a carbon-intensive product.

"(4) Carbon leakage.—The term 'carbon leakage' means an increase of global greenhouse gas emissions which are substantially due to the relocation of greenhouse gas sources from the United States to jurisdictions which lack comparable controls upon greenhouse gas emissions.

"(5) Cost of carbon or carbon costs.—The term 'cost of carbon' or 'carbon costs' means a national or sub-national government policy which explicitly places a price on greenhouse gas pollution and shall be limited to either a tax on greenhouse gases or a system of cap-and-trade. The cost of carbon is expressed as the price per metric ton of CO2-e.

"(6) Covered entity.—The term 'covered entity' means—

"(A) in the case of crude oil—

"(i) a refinery operating in the United States, and

"(ii) any importer of any petroleum or petroleum product into the United States,

"(B) in the case of coal—

"(i) any coal mining operation in the United States, and

"(ii) any importer of coal into the United States,

"(C) in the case of natural gas—

"(i) any entity entering pipeline quality natural gas into the natural gas transmission system, and

"(ii) any importer of natural gas into the United States,

"(D) any entity or class of entities which, as determined by the Secretary, is transporting, selling, or otherwise using a covered fuel in a manner which emits a greenhouse gas to the atmosphere and which has not been covered by the carbon fee, the fluorinated greenhouse gas fee, or the carbon border fee adjustment.

"(7) Covered fuel.—The term 'covered fuel' means crude oil, natural gas, coal, or any other product derived from crude oil, natural gas, or coal which shall be used so as to emit greenhouse gases to the atmosphere.

"(8) Crude oil.—The term 'crude oil' means unrefined petroleum.

"(9) Export.—The term 'export' means to transport a product from within the jurisdiction of the United States to persons outside the United States.

"(10) Fossil fuel.—The term 'fossil fuel' means coal, coal products, petroleum, petroleum products, or natural gas.

"(11) Full fuel cycle greenhouse gas emissions.—The term 'full fuel cycle greenhouse gas emissions' means the greenhouse gas content of a covered fuel plus that covered fuel's upstream greenhouse gas emissions.

"(12) Global warming potential.—The term 'global warming potential' means the ratio of the time-integrated radiative forcing from the instantaneous release of one kilogram of a trace substance relative to that of one kilogram of carbon dioxide.

"(13) Greenhouse gas.—The term 'greenhouse gas' means carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and other gases as defined by rule of the Administrator.

"(14) Greenhouse gas content.—The term 'greenhouse gas content' means the amount of greenhouse gases, expressed in metric tons of CO2-e using a 100-year global warming potential, which would be emitted to the atmosphere by the use of a covered fuel and shall include, nonexclusively, emissions of carbon dioxide (CO2), nitrous oxide (N2O), methane (CH4), and other greenhouse gases as identified by rule of the Administrator.

"(15) Greenhouse gas effect.—The term 'greenhouse gas effect' means the adverse effects of greenhouse gases on health or welfare caused by the greenhouse gas's heat-trapping potential or its effect on ocean acidification.

"(16) Import.—Irrespective of any other definition in law or treaty, the term 'import' means to land on, bring into, or introduce into any place subject to the jurisdiction of the United States.

"(17) Petroleum.—The term 'petroleum' means oil removed from the earth or the oil derived from tar sands or shale.

"(18) Production greenhouse gas emissions.—The term 'production greenhouse gas emissions' means the quantity of greenhouse gases, expressed in metric tons of CO2-e, emitted to the atmosphere resulting from, nonexclusively, the production, manufacture, assembly, transportation, or financing of a product.

"(19) Secretary.—The term 'Secretary' means the Secretary of the Treasury.

"(20) Upstream greenhouse gas emissions.—The term 'upstream greenhouse gas emissions' means the quantity of greenhouse gases, expressed in metric tons of CO2-e, emitted to the atmosphere resulting from, nonexclusively, the extraction, processing, transportation, financing, or other preparation of a covered fuel for use.

"Sec. 9902. Carbon fee.

"(a) Carbon fee.—There is hereby imposed a carbon fee on any covered entity's emitting use, or sale or transfer for an emitting use, of any covered fuel.

"(b) Amount of the carbon fee.—The carbon fee imposed by this section is an amount equal to—

"(1) the greenhouse gas content of the covered fuel, multiplied by

"(2) the carbon fee rate.

"(c) Carbon fee rate.—For purposes of this section—

"(1) In general.—The carbon fee rate, with respect to any use, sale, or transfer during a calendar year, shall be—

"(A) in the case of calendar year 2027, $25, and

"(B) except as provided in paragraph (2), in the case of any calendar year thereafter—

"(i) the carbon fee rate in effect under this subsection for the preceding calendar year, plus

"(ii) $10.

"(2) Exceptions.—

"(A) Increased carbon fee rate after missed annual emissions reduction target.—In the case of any year immediately following a year for which the Secretary determines under section 9903(b) that the actual emissions of greenhouse gases from covered fuels exceeded the emissions reduction target for the previous year, paragraph (1)(B)(ii) shall be applied by substituting '$15' for the dollar amount otherwise in effect for the calendar year under such paragraph.

"(B) Cessation of carbon fee rate increase after certain emission reductions achieved.—In the case of any year immediately following a year for which the Secretary determines under section 9903(b) that actual emissions of greenhouse gases from covered fuels are not more than 10 percent of the greenhouse gas emissions from covered fuels during the year 2010, paragraph (1)(B)(ii) shall be applied by substituting '$0' for the dollar amount otherwise in effect for the calendar year under such paragraph.

"(3) Inflation adjustment.—In the case of any calendar year after 2027, each of the dollar amounts in paragraphs (1)(B) and (2)(A) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2026' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(d) Exemption and refund.—The Secretary shall prescribe such rules as are necessary to ensure the fee imposed by this section is not imposed with respect to any nonemitting use, or any sale or transfer for a nonemitting use, including rules providing for the refund of any carbon fee paid under this section with respect to any such use, sale, or transfer.

"Sec. 9903. Emissions reduction schedule.

"(a) In general.—An emissions reduction schedule for greenhouse gas emissions from covered fuels is hereby established, as follows:

"(1) Reference year.—The greenhouse gas emissions from covered fuels during the year 2010 shall be the reference amount of emissions and shall be determined from the 'Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2010' published by the Environmental Protection Agency in April of 2012.

"(2) Emissions reduction target.—The first emission reduction target shall be for the year 2029. The emission target for each year thereafter shall be the previous year's target emissions minus a percentage of emissions during the reference year determined in accordance with the following table:

"Year	Emissions Reduction Target
2010	Reference year
2027 to 2028	No emissions reduction target
2029 to 2037	5 percent of 2010 emissions per year
2038 to 2055	3 percent of 2010 emissions per year

"(b) Administrative determination.—Not later than 60 days after the beginning of each calendar year beginning after the enactment of this section, the Secretary, in consultation with the Administrator, shall determine whether actual emissions of greenhouse gases from covered fuels exceeded the emissions reduction target for the preceding calendar year. The Secretary shall make such determination using the same greenhouse gas accounting method as was used to determine the greenhouse gas emissions in the 'Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2010' published by the Environmental Protection Agency in April of 2012.

"Sec. 9904. Decommissioning of carbon administration.

"(a) In general.—At such time that the Secretary determines under section 9903(b) that actual emissions of greenhouse gases from covered fuels are not more than 10 percent of the greenhouse gas emissions from covered fuels during the year 2010, the Secretary shall decommission in an orderly manner all bureaus and programs associated with administering the carbon fee, and the carbon border fee adjustment.

"Sec. 9905. Carbon capture and sequestration.

"(a) In general.—The Secretary, in consultation with the Administrator and the Secretary of Energy, shall prescribe regulations for making payments as provided in subsection (b) to qualified facilities that—

"(1) capture and sequester qualified carbon dioxide; or

"(2) sequester qualified carbon dioxide obtained from 1 or more other qualified facilities.

"(b) Payment amounts.—

"(1) In general.—The Secretary shall make payments to a qualified facility in the same manner as if such payment was a refund of an overpayment of the carbon fee imposed by section 9902, in cases in which such qualified facility—

"(A) uses any covered fuel—

"(i) with respect to which the carbon fee has been paid, and

"(ii) which results in the emission of qualified carbon dioxide,

"(B) captures such emitted, or an equivalent amount of, qualified carbon dioxide, and

"(C) (i) sequesters such qualified carbon dioxide in a manner which is safe, permanent, and in compliance with any applicable local, State, and Federal laws, or

"(ii) utilizes such qualified carbon dioxide in a manner provided in paragraph (3)(C).

"(2) Amount of refund.—The payment determined under this section shall be an amount equal to the lesser of—

"(A) the adjusted metric tons of qualified carbon dioxide captured and sequestered or utilized, multiplied by the carbon fee rate during the year in which the carbon fee was imposed by section 9902 upon the covered fuel to which such carbon dioxide relates, or

"(B) the amount of the carbon fee imposed by section 9902 with respect to such covered fuel.

"(3) Definitions and special rules.—For purposes of this section—

"(A) Qualified carbon dioxide; qualified facility.—

"(i) Qualified carbon dioxide.—The term 'qualified carbon dioxide' has the same meaning given such term under section 45Q(c).

"(ii) Qualified facility.—The term 'qualified facility' means any industrial facility at which carbon capture equipment is placed in service.

"(B) Adjusted total metric tons.—The adjusted total metric tons of qualified carbon dioxide captured and sequestered or utilized shall be the total metric tons of qualified carbon dioxide captured and sequestered or utilized, reduced by the amount of any carbon dioxide likely to escape and be emitted into the atmosphere due to imperfect

storage technology or otherwise, as determined by the Secretary in consultation with the Administrator.

"(C) Utilization.—The Secretary, in consultation with the Administrator, shall establish regulations providing for the methods and processes by which qualified carbon dioxide may be utilized so as to remove that qualified carbon dioxide safely and permanently from the atmosphere. The production of substances such as, but not limited to, plastics and chemicals shall not be considered utilization. Such regulations shall minimize the escape or further emission of the qualified carbon dioxide into the atmosphere.

"(D) Sequestration.—Not later than January 1, 2028, the Secretary, in consultation with the Administrator, shall prescribe regulations identifying the conditions under which carbon dioxide may be safely and permanently sequestered.

"(4) Coordination with credit for carbon dioxide sequestration.—At such time that the Secretary prescribes regulations implementing this section, no payment under this section shall be allowed to a taxpayer to whom a credit has been allowed for any taxable year under section 45Q.

"Sec. 9906. Administrative authority.

"(a) In general.—The Secretary in consultation with the Administrator shall prescribe such regulations, and other guidance, as may be necessary to carry out the purposes of this subtitle and assess and collect the carbon fee imposed by section 9902.

"(b) Specifically.—Such regulations and guidance shall include—

"(1) the identification of an effective point in the production, distribution, or use of a covered fuel for collecting such carbon fee, in such a manner so as to minimize administrative burden and maximize the extent to which full fuel cycle greenhouse gas emissions from covered fuels have the carbon fee levied upon them,

"(2) the identification of covered entities which shall be liable for the payment of the carbon fee,

"(3) requirements for the monthly payment of such fees,

"(4) as may be necessary or convenient, rules for distinguishing between different types of covered fuels,

"(5) as may be necessary or convenient, rules for distinguishing between a covered fuel's greenhouse gas content and its upstream greenhouse gas emissions,

"(6) rules to ensure that no covered fuel has the carbon fee or carbon border fee adjustment imposed upon it more than once, and

"(7) rules to ensure that the domestic implementation of the carbon fee coordinates with the implementation of the carbon border fee adjustment of chapter 102.

"Sec. 9907. Revenues.

"(a) In general.—All amounts collected under this chapter shall be deposited into the general fund of the Treasury and credited to the American Value Fund.".

"CHAPTER 102—CARBON BORDER FEE ADJUSTMENT

"Sec. 9911. Carbon border fee adjustment.

"(a) In general.—The fees imposed by, and refunds allowed under, this section shall be referred to as 'the carbon border fee adjustment'.

"(b) Purpose.—The purpose of the carbon border fee adjustment is to protect animal, plant, and human life and health, to conserve exhaustible natural resources by preventing carbon leakage, and to facilitate the creation of international agreements.

"(c) Imports to the United States.—

"(1) Imported covered fuels fee.—In the case of any person that imports into the United States any covered fuel, there shall be imposed a fee equal to the total carbon fee that would be imposed on the fuel's greenhouse gas content under the domestic carbon fee, including processing emissions.

"(2) Imported carbon-intensive products fee.—In the case of any person that imports into the United States any carbon-intensive product, there shall be imposed a fee equal to the total carbon fee which would have accumulated upon the greenhouse gas content of the imported carbon-intensive product had the imported carbon-intensive product been produced domestically and subject to the domestic carbon fee.

"(3) Modifications.—The Secretary shall make an administrative determination of whether any class of imported covered fuels or class of imported carbon-intensive product is carrying any total foreign carbon cost. The Secretary shall make a determination of whether international law or the enhancement of global greenhouse gas mitigation efforts require that those foreign costs of carbon be deducted from the carbon border fee adjustment determined in subsection (c)(1) or subsection (d)(1).

"(4) Foreign cost of carbon; foreign carbon costs.—For purposes of this subsection, the term 'foreign cost of carbon' or 'foreign carbon cost' means the explicit price a foreign jurisdiction places upon the emission of greenhouse gas pollution to the atmosphere through law or regulation. Such price shall be expressed as the price per metric ton of CO_2-e.

"(d) Refund on exports from United States.—

"(1) Covered fuels.—Under regulations prescribed by the Secretary, in the case of a covered fuel produced in the United States with respect to which the fee under section 9902 was paid, there shall be allowed as a credit or refund (without interest) to any exporter of such covered fuels an amount equal to the total carbon fee levied upon the exported covered fuel up to the time of its exportation, including processing emissions. Any such credit or refund shall be allowed in the same manner as if it were an overpayment of tax imposed by section 9902.

"(2) Carbon-intensive products.—Under regulations prescribed by the Secretary, there shall be allowed a credit or refund (without interest) to exporters of carbon-intensive products manufactured or produced in the United States an amount equal to 75% of the total carbon fees accumulated upon the greenhouse gas content of the exported carbon-intensive product up to the time of exportation. Any such credit or refund shall be allowed in the same manner as if it were an overpayment of the fee imposed by section 9902.

"Sec. 9912. Administration of the carbon border fee adjustment.

"(a) Generally.—The Secretary in consultation with the Administrator shall prescribe regulations and guidance which implement the carbon border fee adjustment under section 9911.

"(b) Collaboration.—In administering the carbon border fee adjustment, it is the sense of Congress that the Secretary should collaborate with authorized officers of any jurisdiction, including sub-national governments, affected by the carbon border fee adjustment.

"(c) Methodology.—In determining the carbon border fee adjustment, the Secretary shall use methodologies, procedures, and data which, as may be necessary or convenient—

"(1) disaggregate a product's greenhouse gas content;

"(2) are consistent with international law and facilitate international cooperation;

"(3) in the case of incomplete data, use customary methods of interpolation that favor enhanced mitigation and facilitate international cooperation;

"(4) avoid the double pricing of greenhouse gas emissions; and

"(5) harmonize the carbon border fee adjustment with the domestic carbon fee so as to ensure all covered fuels used in the United States are subject to the carbon fee.

"(d) Schedule.—The Secretary shall—

"(1) begin implementation of the carbon border fee adjustment for covered fuels at the same time as the implementation of the carbon fee; and

"(2) begin implementation of the carbon border fee adjustment for carbon-intensive products no later than January 1, 2028.

"(e) Procedure.—The Secretary shall—

"(1) establish fair, timely, impartial, and as necessary confidential procedures by which the importer of any carbon-intensive product or any covered fuel may petition the Secretary to revise the Secretary's determination of its carbon border fee adjustment liability calculated under section 9911(c);

"(2) establish fair, timely, impartial, and as necessary confidential procedures by which any exporter of any product from the United States may petition the Secretary to include that exported product on the list of carbon-intensive products; and

"(3) establish fair, timely, impartial, and as necessary confidential procedures by which the exporter of any carbon-intensive product or any covered fuel may petition the Secretary to revise the Secretary's determination of its carbon border fee adjustment refund calculated under section 9911(d).

"(f) Shipments from the United States to the territories of the United States.—Notwithstanding any other treaty, law, or policy, shipments of covered fuels or carbon-intensive products from the United States to American Samoa shall be eligible for a refund of the carbon fee under section 9911(d), until such time as the people of American Samoa are recognized as U.S. citizens and become eligible for American Union Jobs.

"(g) Imports to the territories of the United States.—Notwithstanding any other treaty, law, or policy, imports of covered fuels or carbon-intensive products to Guam, the United States Virgin Islands, American Samoa, Puerto Rico, and the Northern Mariana Islands shall not be subject to section 9911(c).

"Sec. 9913. Allocation of carbon border fee adjustment revenues.

"(a) The revenues collected under this chapter may be used to supplement appropriations made available in fiscal years 2026 and thereafter—

"(1) to U.S. Customs and Border Protection, in such amounts as are necessary to administer the carbon border fee adjustment, then

"(2) to the Green Climate Fund, created by decision 3/CP.17 adopted at the 17th Conference of the Parties to the United Nations Framework Convention on Climate Change held in Durban, November 28 to December 11, 2011.

"Sec. 9914. Treaties and international negotiations.

"(a) Conformance with international treaties.—In the case that the Appellate Body of the World Trade Organization, or any other authoritative international treaty interpreter, shall find any portion of the carbon border fee adjustment under this chapter to violate any treaty to which the United States is a party, the Secretary of State is authorized to alter that aspect of such carbon border fee adjustment found to violate a treaty obligation so as to bring the carbon border fee adjustment into conformance with international law.

"(b) International negotiations.—The Congress finds the international mitigation of greenhouse gas emissions to be of national importance. Therefore, the Congress encourages the Secretary of State, or the Secretary's designee, to commence and complete negotiations with other nations with the goal of forming treaties, environmental agreements, accords, partnerships or any other instrument that effectively reduces global greenhouse gas emissions to zero percent of 2010 levels by 2050 and which respect the principle of common but differentiated responsibilities and respective capabilities.

"(c) Suspension of the carbon border fee adjustment.—The Secretary may suspend the carbon border fee adjustment, in whole or in part—

"(1) when, in the determination of the Secretary, a country has implemented greenhouse gas mitigation policies sufficient to contribute to a global net reduction of greenhouse gas emissions to zero by 2050. In making such determination, the Secretary may partially suspend particular provisions of the carbon border fee adjustment. In making the determination, the Secretary shall consult with the importing country. In making the determination, the Secretary shall follow all existing treaty obligations. The Secretary shall review any carbon border fee adjustment suspension at least every 5 years, or

"(2) by treaty or other international agreement that meets the criteria of section 9914(c)(1) and includes provisions for the suspension of the carbon border fee adjustment.".

(b) Coordination with carbon oxide sequestration credit.—Section 45Q(f) of the Internal Revenue Code of 1986 (26 U.S.C. 45Q(f)) is amended by adding at the end the following new paragraph:

"(8) Coordination with carbon capture and sequestration payments.—No credit shall be allowed under this section to a taxpayer which has received any payment under section 9905.".

(c) The amendments made by this section shall take effect on July 4, 2026, except the carbon fee under section 9902 of the Internal Revenue Code of 1986 shall apply to uses, sales, or transfers after September 30, 2027.

(d) In the case of ambiguity within the express text of this section and the amendments made by this section, the texts of this section and its amending texts shall be interpreted so as to allow for the most effective abatement of greenhouse gas emissions.

(e) No preemption of stronger State law.—Nothing in this section or the amendments made by this section shall be construed to preempt or limit any State law or regulation that imposes a stricter greenhouse gas emissions standard, a higher carbon price, a more protective pollution control requirement, or any other requirement that is more protective of public health, the climate, or the environment than the requirements of this section or the amendments made by this section.

SEC. 1243. PLASTIC TAXES.

(a) In general.—Subtitle D of the Internal Revenue Code of 1986, as amended by this Act, is further amended by adding at the end the following new chapter:

"CHAPTER 50D. PLASTIC TAXES.

"Sec. 5000I. Definitions.

"(a) Definitions.—In this chapter:

"(1) Administrator.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(2) Applicable entity.—The term 'applicable entity' means any manufacturer, producer, or importer of taxable virgin plastic resin.

"(A) Exemption.—The term 'applicable entity' shall not include any manufacturer, producer, or importer of taxable virgin plastic resin which, with respect to any taxable year, meets the gross receipts test of section 448(c) for such taxable year; and

"(i) in the case of a manufacturer or producer, manufactured or produced not greater than 10 tons of taxable virgin plastic resin during the taxable year preceding such taxable year, or

"(ii) in the case of an importer, imported not greater than 10 tons of taxable virgin plastic resin during the taxable year preceding such taxable year.

"(3) Covered manufacturer.—

"(A) In general.—The term 'covered manufacturer' means any person that—

"(i) produces, assembles, or causes to be produced or assembled a plastic product, including through contract manufacturing or outsourcing arrangements, or

"(ii) imports into the United States a plastic product.

"(B) Exemption.—The term 'covered manufacturer' shall not include any person which, with respect to any taxable year, meets the gross receipts test of section 448(c) for such taxable year; and

"(i) in the case of a manufacturer or producer, manufactured or produced not greater than 20,000 plastic products during the taxable year preceding such taxable year, or

"(ii) in the case of an importer, imported not greater than 20,000 plastic products during the taxable year preceding such taxable year.

"(4) Import.—The term 'import' means to enter taxable virgin plastic resin or plastic product into the United States for consumption, sale, use, or warehousing.

"(5) Microplastic.—The term 'microplastic' means any solid or particulate material composed of synthetic polymer chains that—

"(A) results from the fragmentation, degradation, or erosion of plastic; and

"(B) retains polymeric structure and environmental persistence, regardless of particle size.

"(6) Multipack.—The term 'multipack' means a product containing multiple items, usually identical, which are intended for individual use. 'Multipack' does not include items, sets, or kits which contain plastic products intended to be assembled or otherwise used together.

"(7) Plastic.—

"(A) In general.—The term 'plastic' means a material commonly composed from petrochemicals which—

"(i) is composed of synthetic or semi-synthetic polymer chains; and

"(ii) degrades into microplastics.

"(B) Bioplastics.—The substitution of other production materials for conventional petrochemicals shall not disqualify an item or material from inclusion under this definition if microplastics remain a probable result.

"(C) Exclusions.—The term 'plastic' does not include materials that fully disassemble through chemical or biological processes into non-polymeric substances such that no persistent polymer chains remain under reasonably foreseeable conditions of disposal or environmental exposure. The Administrator may further clarify this exception by rule.

"(8) Plastic product.—The term 'plastic product' means any good which contains, or is packaged in, plastic, and is intended for public sale, distribution, or use.

"(A) Exceptions.—Plastic product shall not include a medical product regulated under the Federal Food, Drug, and Cosmetic Act or the Public Health Service Act.

"(9) Secretary.—The term 'Secretary' means the Secretary of the Treasury.

"(10) Taxable virgin plastic resin.—The term 'taxable virgin plastic resin' means any plastic resin which is manufactured or produced in the United States or entered into the United States for consumption, use, or warehousing.

"(A) Exception.—The term 'taxable virgin plastic resin' shall not include resin reprocessed from recovered material. The Administrator may further clarify this exception by rule.

"(11) United States.—The term 'United States' has the meaning given such term by section 4612(a)(4).

"Sec. 5000J. Virgin plastic resin.

"(a) General rule.—There is hereby imposed a tax on—

"(1) the entry into the United States of any taxable virgin plastic resin for consumption, use, or warehousing, and

"(2) the sale of any taxable virgin plastic resin sold by an applicable entity.

"(b) Amount of tax.—

"(1) Taxable virgin plastic resin.—The amount of the tax imposed under subsection (a) with respect to taxable virgin plastic resin shall be determined on a per-pound basis, as follows:

"(A) In the case of calendar year 2027, 10 cents per pound.

"(B) In the case of each of calendar years 2028 through 2031, an amount equal to the rate in effect for the preceding calendar year, plus 5 cents per pound.

"(C) In the case of calendar year 2032 and each calendar year thereafter, an amount equal to the rate in effect for the preceding calendar year, increased by an amount equal to—

"(i) such rate, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2026' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(D) Rounding.—

"(i) Of calculated rate.—If any amount determined under subparagraph (C) is not a multiple of 1 cent, such amount shall be increased to the nearest multiple of 1 cent.

"(ii) Of weight.—In the case of a fraction of a pound, the tax imposed shall be the same as such tax imposed on a whole pound.

"(c) Single incidence and prevention of double taxation.—

"(1) In general.—The tax imposed under subsection (a) shall be imposed only once with respect to any unit of taxable virgin plastic resin.

"(2) Imported resin.—If the tax is imposed under subsection (a)(1) with respect to any taxable virgin plastic resin upon entry into the United States, no tax shall be imposed under subsection (a)(2) with respect to any subsequent sale of such resin.

"(3) Domestic resin.—If the tax is imposed under subsection (a)(2), no tax shall be imposed with respect to any subsequent sale of such resin.

"(4) Certification and tracing.—The Secretary may require such certifications, records, and tracing mechanisms as are necessary to ensure that taxable virgin plastic resin with respect to which tax has been imposed is not subject to additional tax under this section.

"(5) Aggregation rule.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single applicable entity for purposes of this section.

"(d) Use treated as sale.—If any applicable entity manufactures, produces, or imports any taxable virgin plastic resin and uses such resin, then such person shall be liable for tax under this section in the same manner as if such resin were sold by such entity.

"Sec. 5000K. Plastic products.

"(a) General rule.—There is hereby imposed on a covered manufacturer a tax on the manufacture of a plastic product.

"(b) Amount of tax.—The amount of the tax imposed under subsection (a) shall be determined on a per-item basis, as follows:

"(1) Before January 1, 2032, 5 cents for each plastic product.

"(2) On and after January 1, 2032, 10 cents for each plastic product.

"(c) Special cases.—

"(1) In general.—For the purpose of subsection (a), the tax shall be imposed for each individual plastic product contained in a multipack.

"(2) Bulk quantities.—In the case of plastic products sold in bulk quantities and of minimal functionality in single units, the Secretary may by rule establish a weight or measure, of which the quantity shall be considered a single unit under subsection (a).

"(d) No credit or offset.—The tax imposed by this section shall apply without regard to whether any tax has been imposed under section 5000J or any other provision of law with respect to the materials used to produce such plastic product.

"Sec. 5000L. Administrative authority.

"(a) In general.—The Secretary in consultation with the Administrator shall promulgate rules, guidance, and regulations useful and necessary to carry out the purposes of this chapter.

"(b) Specifically.—Such regulations and guidance shall include—

"(1) the identification of effective points in the production and manufacturing process for collecting such taxes, in such a manner so as to minimize administrative burdens,

"(2) the identification of the entities which shall be liable for the payment of the taxes,

"(3) requirements for the monthly payment of such taxes, and

"(4) as may be necessary or convenient, rules for distinguishing between different types of plastic.

"Sec. 5000M. Revenues.

"(a) In general.—All amounts collected under this chapter shall be deposited into the general fund of the Treasury and credited to the American Value Fund.".

(b) No preemption of stronger State law.—Nothing in this section or the amendments made by this section shall be construed to preempt or limit any State law or regulation that imposes a stricter plastic pollution standard, a higher fee or tax on plastic resin or plastic products, a more protective product, packaging, recycling, waste reduction, or pollution control requirement, or any other requirement that is more protective of public health or the environment than the requirements of this section or the amendments made by this section.

(c) Effective date.—This section shall be effective July 1, 2027.

SEC. 1244. METHANE WASTE EMISSIONS FEE.

(a) Definitions.—In this section:

(1) Carbon dioxide equivalent.—The term "carbon dioxide equivalent" or "CO2e" has the meaning given such term in section 9901 of title 26, United States Code.

(2) Carbon fee.—The term "carbon fee" means the amount calculated under section 9902(b) of title 26, United States Code.

(3) Covered facility.—The term "covered facility" means any oil or gas facility subject to greenhouse gas reporting requirements under section 114 of the Clean Air Act (42 U.S.C. 7414).

(4) Methane.—The term "methane" means the greenhouse gas CH4.

(5) Methane waste emissions.—The term "methane waste emissions" means methane emissions resulting from venting, flaring, leakage, or other releases of methane to the atmosphere in excess of applicable standards.

(6) Regulation.—The term "regulation" means any rule, regulation, guideline, interpretation, order, or requirement of general applicability prescribed by any officer or employee of the executive branch.

(7) Secretary.—The term "Secretary" means the Secretary of the Treasury.

(b) Codification of methane emissions performance standards.—

(1) Incorporation of rule.—The provisions of the final rule promulgated by the Environmental Protection Agency, entitled "Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review", as published in the Federal Register on March 8, 2024 (89 Fed. Reg. 16820), and subsequently corrected on August 1, 2024 (89 Fed. Reg. 62872), are incorporated into this Act and shall be treated as though such provisions are set forth in this subsection.

(2) Effect of incorporation.—The regulations incorporated under paragraph (1) are established as the minimum methane emissions performance standards by this Act, and may be weakened only by means of an Act of Congress. To the extent that any provision of such regulations does not conform with this Act, the provisions of this Act shall govern.

(3) Rule of construction.—Nothing in this subsection shall be construed to limit any existing authority of the Environmental Protection Agency to impose stricter regulations, standards, or fees.

(c) Imposition of methane waste emissions fee.—Beginning January 1, 2027, there is imposed on methane waste emissions from each covered facility a methane waste emissions fee. Such fee shall be in addition to any fee imposed on methane emissions under chapter 101 of subtitle L of title 26.

(d) Calculation of fee.—The methane waste emissions fee imposed under subsection (c) with respect to any quantity of methane shall be equal to the carbon fee that would be imposed on such quantity of methane under section 9902(b) of title 26, United States Code.

(e) Exceptions.—No methane waste emissions fee shall apply to methane that is captured, reinjected, converted, destroyed, sold, or otherwise managed in a manner that prevents release of such methane to the atmosphere, as determined in accordance with regulations promulgated by the Environmental Protection Agency.

(f) Administration, collection, and enforcement.—

(1) In general.—The Administrator shall administer and enforce this section with respect to measurement, reporting, monitoring, verification, applicability, exceptions, compliance, and determination of methane waste emissions, and the Secretary shall collect the methane waste emissions fee imposed under subsection (c).

(2) Returns and payment.—Each owner or operator of a covered facility subject to the fee imposed under subsection (c) shall file a return with the Secretary, at such time and in such manner as the Secretary may prescribe, and shall pay the fee imposed under subsection (c) at the time such return is due.

(3) EPA determination.—The Administrator shall determine, for each covered facility and each applicable reporting period, the quantity of methane waste emissions subject to the fee imposed under subsection (c), after applying the exceptions under subsection (e), and shall provide such determination to the Secretary in such form and manner as the Secretary and the Administrator jointly prescribe.

(4) Coordination with existing reporting.—To the maximum extent practicable, the Administrator shall coordinate measurement, reporting, monitoring, verification, and compliance under this section with greenhouse gas reporting requirements under section 114 of the Clean Air Act (42 U.S.C. 7414), regulations incorporated under subsection (b), and any other applicable methane emissions reporting requirements.

(5) Treatment for purposes of tax administration.—For purposes of subtitle F of the Internal Revenue Code of 1986, the fee imposed under subsection (c) shall be treated as a tax imposed by subtitle D of such Code.

(6) Penalties.—

(A) In general.—Any person that fails to file a return required under paragraph (2), fails to pay the fee imposed under subsection (c), or submits materially false, incomplete, or misleading information for purposes of this section shall be subject to penalties under the Internal Revenue Code of 1986 in the same manner as if the fee imposed under subsection (c) were a tax imposed by subtitle D of such Code.

(B) Additional civil penalty.—In addition to any penalty otherwise authorized by law, any person that knowingly underreports methane waste emissions subject to the fee imposed under subsection (c) shall be subject to a civil penalty of not more than 3 times the amount of the fee that should have been paid with respect to such underreported emissions.

(7) Deposit of revenues.—Amounts collected under this section shall be deposited into the general fund of the Treasury and credited to the American Value Fund.

(8) Regulations.—Not later than 180 days after the date of enactment of this section, the Administrator and the Secretary shall issue such regulations, guidance, forms, and procedures as are necessary to carry out this section.

(POPULIST Act TITLE XII, version 1.0, last updated May 28, 2026)