

**AMENDMENT TO H.R. \_\_\_\_\_**  
**OFFERED BY MR. INSLEE OF WASHINGTON**

After title ??, insert the following:

1           **TITLE XX.—RURAL CLEAN**  
2                           **ENERGY**

3 **SEC. x01. SHORT TITLE.**

4           This title may be cited as the “Rural Clean Energy  
5 Superhighways Act”.

6 **SEC. x02. FINDINGS.**

7           The Congress finds that—

8                   (1) electricity produced from renewable re-  
9 sources helps to reduce greenhouse gas emissions,  
10 and limits emissions of other pollutants regulated  
11 pursuant to the Clean Air Act, enhances national en-  
12 ergy security, and provides substantial economic  
13 benefits;

14                   (2) the potential exists for a far greater per-  
15 centage of electric production in the United States  
16 to be generated through the use of renewable re-  
17 sources than current levels;

18                   (3) many of the best potential renewable energy  
19 resources are located in rural areas far from popu-  
20 lation centers;

1 (4) the lack of adequate electric transmission  
2 capacity is one of the primary obstacles to the devel-  
3 opment of electric generation facilities fueled by re-  
4 newable energy resources;

5 (5) the economies of many rural areas would  
6 substantially benefit from the increased development  
7 of electric generation facilities fueled by renewable  
8 energy resources; and

9 (6) it is in the national interest for the Federal  
10 government to implement policies that will enhance  
11 the amount of electric transmission capacity avail-  
12 able to take full advantage of renewable energy re-  
13 sources to generate electricity.

14 **SEC. x03. NATIONAL RENEWABLE ENERGY ZONES.**

15 (a) IN GENERAL.—Title II of the Federal Power Act  
16 (16 U.S.C. 824 et seq.) is amended—

17 (1) by inserting before the section heading of  
18 section 201 (16 U.S.C. 824 et seq.) the following:

“SUBTITLE A—REGULATION OF ELECTRIC UTILITY COMPANIES”; AND

19 (2) by adding at the end the following:

20 **“Subtitle B—National Renewable**  
21 **Energy Zones**

22 **“SEC. 231. DEFINITIONS.**

23 “In this subtitle:

24 “(1) The term ‘Commission’ means the Federal  
25 Energy Regulatory Commission.

1           “(2) The term ‘electricity from renewable  
2 energy’ means electric energy generated from\_\_

3           “(A) solar, wind, geothermal or ocean en-  
4 ergy;

5           “(B) biomass (as defined in section 203(a)  
6 of the Energy Policy Act of 2005);

7           “(C) landfill gas; or

8           “(D) incremental hydropower.

9           “(3) The term ‘Federal Power Marketing Ad-  
10 ministration’ means any agency or instrumentality  
11 of the United States (other than the Tennessee Val-  
12 ley Authority) which sells electric energy.

13           “(4) The term ‘Federal Transmitting Utility’  
14 means a Federal Power Marketing Administration  
15 that owns or operates electric transmission facilities  
16 or the Tennessee Valley Authority.

17           “(5) The term ‘geothermal energy’ means en-  
18 ergy derived from a geothermal deposit (within the  
19 meaning of section 613(e)(2) of the Internal Rev-  
20 enue Code of 1986).

21           “(6) The term ‘renewable energy trunkline’  
22 shall mean a radial transmission line at a voltage of  
23 115 kV or above, including all associated trans-  
24 mission facilities and equipment within a National  
25 Renewable Energy Zone that is used to deliver elec-

1       tricity from renewable energy to the point where the  
2       trunkline connects to a high-voltage electric trans-  
3       mission facility, including any modifications, addi-  
4       tions or upgrades to such facilities and equipment.  
5       A renewable energy trunkline shall not include net-  
6       work upgrades.

7             “(7) The term ‘high-voltage electric trans-  
8       mission facility’ means those electric facilities with a  
9       capability in excess of 200 kilovolts.

10            “(8) The term ‘network upgrades’ shall mean  
11       the additions or modifications to the transmission  
12       provider’s high-voltage transmission system other  
13       than ‘renewable energy trunkline facilities.

14            “(9) The term ‘President’ means the President  
15       of the United States.

16            “(10) The term ‘Indian lands’ means—

17                    “(A) any land within the limits of any In-  
18       dian reservation, pueblo or Rancheria,

19                    “(B) any land not within the limits of any  
20       Indian reservation, pueblo or Rancheria title to  
21       which was on the date of passage of this Act ei-  
22       ther held in trust by the United States for the  
23       benefit of any Indian tribe or individual or held  
24       by any Indian tribe or individual subject to re-

1           restriction by the United States against alien-  
2           ation,

3                   “(C) any dependent Indian community,  
4           and

5                   “(D) any land conveyed to any Alaska Na-  
6           tive corporation under the Alaska Native  
7           Claims Settlement Act.

8           “(11) The term ‘electricity consuming area’  
9           means the area within which electricity from renew-  
10          able energy would be consumed if new high-voltage  
11          electric transmission facilities were to be constructed  
12          to deliver electricity from renewable energy gen-  
13          erated in a National Renewable Energy Zone.

14   **“SEC. 232. DESIGNATION OF NATIONAL RENEWABLE EN-  
15                                    ERGY ZONES.**

16          “(a) DESIGNATION.—Within six months after the date  
17          of enactment of this Act, the President or the President’s  
18          designee shall designate as a National Renewable Energy  
19          Zone each area that meets each of the following condi-  
20          tions:

21                   “(1) The potential to generate in excess of one  
22          gigawatt of electricity from renewable energy with-  
23          out having a material detrimental impact on reli-  
24          ability.

1           “(2) An insufficient level of electric trans-  
2           mission capacity to achieve the potential identified  
3           pursuant to paragraph (1).

4           “(3) Access, for renewable energy to be gen-  
5           erated in the National Renewable Energy Zone, to  
6           one or more electricity consuming areas if there were  
7           a sufficient level of transmission capacity.

8           “(b) FACTORS.—In making the designations required  
9           by subsection (a), the Secretary take into account the fol-  
10          lowing:

11           “(1) State and Federal requirements for utili-  
12           ties to incorporate renewable energy as part of serv-  
13           ing load; and

14           “(2) The impact of electric transmission facility  
15           development on the aesthetic and environmental val-  
16           ues of land contained in an area eligible for National  
17           Renewable Energy Zone designation.

18           “(c) ADDITIONAL FACILITIES.—Within six months of  
19           the designation of a National Renewable Energy Zone, the  
20           President or the President’s designee shall identify, and  
21           provide public notice of, specific additional high-voltage  
22           electric transmission facilities and other nontransmission  
23           alternatives required to substantially increase the genera-  
24           tion of electricity from renewable energy within each Na-  
25           tional Renewable Energy Zone.

1           “(d) PUBLIC VIEWS.—Before designating an area as  
2 a National Renewable Energy Zone, the President or the  
3 President’s designee shall afford each affected State, In-  
4 dian Tribe and other interested persons a reasonable op-  
5 portunity to present their views and recommendations be-  
6 fore a designation shall be effective.

7           “(e) EXPANSION.—The President or the President’s  
8 designee shall every three years after the date of enact-  
9 ment consider whether to expand an existing National Re-  
10 newable Energy Zone or designate a new National Renew-  
11 able Energy Zone pursuant to the criteria set forth in sub-  
12 section (a).

13   **“SEC. 233. ENCOURAGING CLEAN ENERGY SUPERHIGHWAY**  
14                           **DEVELOPMENT IN NATIONAL RENEWABLE**  
15                           **ENERGY ZONES.**

16           “(a) COST RECOVERY.—(1) The Commission shall  
17 issue and enforce such regulations as are necessary to en-  
18 sure that a public utility transmission provider that fi-  
19 nances transmission capacity to transmit electricity from  
20 renewable energy from a National Renewable Energy Zone  
21 to an electricity consuming area after the date of enact-  
22 ment of this subtitle recovers through its rates for trans-  
23 mission service all costs and a reasonable return on equity  
24 associated with the construction and operation of such new  
25 transmission capacity.

1           “(2) A regulation under paragraph (1) shall be en-  
2 forceable in accordance with the provisions of law applica-  
3 ble to enforcement of regulations under this Act.

4           “(b) ALTERNATIVE TRANSMISSION FINANCING  
5 MECHANISM.—The Commission shall permit a renewable  
6 energy trunkline built by a public utility transmission pro-  
7 vider in a National Renewable Energy Zone to, in advance  
8 of generation interconnection requests, be initially funded  
9 through a transmission charge imposed upon all trans-  
10 mission customers of the transmission provider or, if the  
11 renewable energy trunkline is built in an area served by  
12 a regional transmission organization or independent sys-  
13 tem operator, all of the transmission customers of such  
14 transmission operator, if the Commission makes each of  
15 the following findings:

16           “(1) The renewable energy resources that would  
17 utilize the renewable energy trunkline are remote  
18 from the grid and load centers.

19           “(2) The renewable energy trunkline will likely  
20 result in multiple individual renewable energy elec-  
21 tric generation projects being developed by multiple  
22 competing developers. The renewable energy trunk-  
23 line has at least one project subscribed through an  
24 executed generation interconnection agreement with  
25 the transmission provider and has tangible dem-

1        onstration of additional interest. As new electric gen-  
2        eration projects are constructed and interconnected  
3        to the renewable energy trunkline, the transmission  
4        services contract holder for such generation project  
5        will, on a going forward basis, pay a pro-rata share  
6        of the renewable energy trunkline facility's costs,  
7        thus reducing the effect on the rates of customers of  
8        the public utility transmission provider.”.

9        (b) TRANSMISSION COST ALLOCATION.—Section 206  
10       of the Federal Power Act (16 U.S.C. 824e) is amended  
11       by adding the following new subsection at the end thereof:

12       “(e)(1) Within six months of the date the President  
13       designates an area as a National Renewable Energy Zone,  
14       the State utility commissions or other appropriate bodies  
15       having jurisdiction over the public utilities providing serv-  
16       ice in the National Renewable Energy Zone or an adjacent  
17       electricity consuming area may jointly propose to the Com-  
18       mission a cost allocation plan for high-voltage electric  
19       transmission facilities built by a public utility transmission  
20       provider that would serve the electricity consuming area.

21       “(2) The Commission may approve the plan proposed  
22       by the States pursuant to paragraph (1) if, taking into  
23       account the users of the transmission facilities, the plan  
24       will result in rates that are just and reasonable and not  
25       unduly discriminatory or preferential and the plan would

1 not unduly inhibit the development of renewable energy  
2 electric generation projects.

3 “(3) Unless a plan has been approved by the Commis-  
4 sion pursuant to paragraph (2), the Commission shall fair-  
5 ly allocate the costs of new high-voltage electric trans-  
6 mission facilities built in the area by one or more public  
7 utility transmission providers (recognizing the national  
8 and regional benefits associated with increased access to  
9 electricity from renewable energy) pursuant to a rolled-  
10 in transmission charge. nothing in this subsection shall ex-  
11 pand, directly or indirectly, the jurisdiction of the Com-  
12 mission with respect to any Federal Transmitting Util-  
13 ity.”.

14 (c) FEDERAL TRANSMITTING UTILITIES.—(1) If no  
15 privately or publicly funded entity commits within one  
16 year of the identification required in section 232(e) of the  
17 Federal Power Act to finance (either on its own or through  
18 a third party financing arrangement with a Federal  
19 Transmitting Utility) a high-voltage electric transmission  
20 facility identified in such notice, a Federal Transmitting  
21 Utility shall finance the construction of the high-voltage  
22 electric transmission facility and operate and maintain  
23 such facility if the Federal Transmitting Utility deter-  
24 mines—