



# A Roadmap for America's Energy Future

## Section-by-Section Description of the Energy Roadmap

### **TITLE I AMERICAN ENERGY**

#### *Sec. 100 – Findings*

The provision includes a list of Congressional findings on oil and gas development.

#### ***Subtitle A*** **Outer Continental Shelf**

#### *Sec. 101 – Leasing Program Considered Approved*

The provision removes any further and unnecessary delay from the implementation of the Draft Proposed OCS Oil and Gas Leasing Program 2010-2015, proposed by the previous Administration.

#### *Sec. 102 – Outer Continental Shelf Lease Sales*

The provision requires the Secretary to conduct a lease sale not later than 30 days after enactment and every 270 days thereafter in each OCS planning region where there is a commercial interest in purchasing Federal oil and gas leases. It further requires the federal share of lease and royalty revenue from new development based on this act shall be deposited into the American-Made Energy Trust Fund.

#### *Sec. 103 – Definitions under the Outer Continental Shelf Lands Act*

The provision defines various terms in the Outer Continental Shelf Lands Act.

#### *Sec. 104 – Determination of Adjacent Zones and OCS Planning Areas*

The provision amends the definition of Adjacent Zones and OCS Planning Areas.

#### *Sec. 105 – Outer Continental Shelf leasing program*

The provision requires the Secretary to, in each five-year leasing program, include lease sales that offer oil and gas leasing for at least 75 percent of the available unleased acreage within each OCS Planning Area. Furthermore, the provision requires the Secretary to provide to Adjacent States an estimate of proven and potential oil and gas resources located within the State's Adjacent Zone. Also, provide the best projection of the OCS revenue that the Secretary expects to be shared with each Adjacent State.





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### *Sec. 106 – Coordination with Adjacent States*

The provision requires coordination with Adjacent States when constructing natural pipelines that will transit the Adjacent States' Zone.

### *Sec. 107 – Environmental Studies*

The provision provides categorical exclusions from the need to prepare environmental documents for all preliminary activities on the OCS, including seismic activities. It also identifies that the environmental impact statement developed for each 5-Year Oil and Gas Leasing Program shall be sufficient for all lease sales. Furthermore, exploration plans shall not be subject to requirements to prepare an environmental impact statement. Finally, it streamlines the environmental documents needed for each OCS Planning Area.

### *Sec. 108 – Outer Continental Shelf incompatible use*

The provision clarifies that Federal agencies can not restrict the use of areas in the OCS that prevent oil and gas leasing. It provides two exemptions for military readiness and national security.

### *Sec. 109 – Repurchase of certain leases*

The provision authorizes the Secretary of Interior to repurchase or cancel any Federal oil and gas, geothermal, coal, oil shale, tar sands, or other mineral lease if the Secretary finds they qualify for repurchase. The Secretary shall have one year after enactment to publish regulations stating the conditions under which a lease qualifies. This does not impact any other rights of the lessee.

### *Sec. 110 – Offsite environmental mitigation*

The provision authorizes environmental mitigation for projects to be conducted at a site away from the area impacted.

## ***Subtitle B*** **Arctic National Wildlife Refuge**

### *Sec. 121 – Definitions*

Coastal Plain is a 1.549 million-acre area referenced in law at the Northern most tip of the 19 million acre Arctic National Wildlife Refuge

### *Sec. 122 – Leasing program for lands within the Coastal Plain*

The provision establishes and implements a competitive oil and gas leasing program for the Coastal Plain under the Mineral Leasing Act; repeals prohibition of oil and gas leasing on federal and local Eskimo lands (Inupiat Eskimos own 92,000 acres); finds oil and gas program under this title to be compatible with refuge; 1987 EIS on ANWR oil development is sufficient to satisfy NEPA for preparing regulations; requires an EIS for individual lease sales within 18 months after enactment; ensures State and local laws aren't affected; Secretary, after consulting with the State and local populace, may designate up to 45,000 acres on the Coastal Plain as Special





Areas to protect unique or sensitive areas; mandates a 4,000 acre Special Area called the Sadlerochit Spring area; directional drilling under Special Areas may be allowed by the Secretary; makes this Act the Secretary's sole authority to close lands on the coastal plain; requires regulations be developed no later than 15 months after enactment.

#### *Sec. 123 – Lease sales*

The provision provides technical guidelines for: timing of lease sales, manner of the nominations, sales, bids, minimum size of 200,000 acres for the lease sales; requires the first sale to be conducted within 22 months after enactment.

#### *Sec. 124 – Grant of leases by the Secretary*

The provision provides for grants of leases.

#### *Sec. 125 – Lease terms and conditions*

The provision sets the terms and conditions for oil and gas leases issued. They shall provide for a royalty payment of not less than 12 ½ percent, allowance to close portions of the Coastal Plain to protect caribou calving areas and other species (on a seasonal basis), requires lessee to be responsible for reclamation of lands (including a number of restrictions on reclamation activities), and prohibits the export of oil produced under the lease.

#### *Sec. 126 – Coastal Plain environmental protection*

The provision sets the strictest environmental conditions ever developed for energy development on federal lands; oil and gas program under a “no significant adverse effect” standard using “best commercially available technology” and limits total surface disturbance to 2000 acres in Coastal Plain; requires site-specific analyses of probable effects of development; requires issuance of regulations, terms, conditions, and prohibitions before implementation of the leasing program; requires compliance with all Federal and State environmental laws, and a host of other requirements, stipulations, prohibitions, etc.; Secretary to consider conditions required in the National Petroleum Reserve-Alaska, and several other protection standards; encourages facility consolidation to minimize footprint of development.

#### *Sec. 127 – Expedited judicial review*

Any challenges to this title must be filed within 90 days or within 90 days after the complainant knew or should have known of the grounds for the complaint; Case will be heard in the U.S. Court of Appeals for the District of Columbia; Limits the scope of the review whether terms of this Act are complied with, and bases review on the administrative record.

#### *Sec. 128 – Federal and State distribution of revenues*

The provision provides 50-50 Federal-State share of revenues from leasing -- same as other States under Mineral Leasing Act; deposits federal share of bonus bids and royalties into an energy trust fund (estimated to be \$39 billion at \$75 barrel oil) to underwrite the Reverse Auction Mechanism for renewable energy generation in Title III.





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*Sec. 129 – Rights-of-way across the Coastal Plain*

The provision ensures Rights-of-Way are granted pursuant to Mineral Leasing Act with proper environmental conditions.

*Sec. 130 – Conveyance*

The provision conveys and clears title to approximately 4,000 acres of land to Natives of Kaktovik. The Natives are entitled to this land pursuant to their aboriginal land claims settlement; Kaktovik gets the surface estate, the Regional Corporation gets the subsurface; clears up some outstanding entitlements, technical.

*Sec. 131 – Local government impact aid and community service assistance*

The provision sets up an up-front impact aid program for any community in Alaska that can demonstrate impacts from development to assist them providing support services for activity (medical care, etc.); states what financial assistance may be used for; provides methods of applying; authorizes deposit of federal receipts into fund, not to exceed \$10 million at any time. From this fund, up to \$5 million per year in grants may be made by the Secretary, subject to appropriation.

***Subtitle C***  
**Oil Shale**

*Sec. 141 – Oil Shale*

The provision codifies the oil shale final rules published by the Department of Interior on November 18, 2008. It further restores leasing activities that were already underway prior to being halted in February 2009. Finally, it mandates that a lease sale be held within 180 days of enactment on an additional 10 parcels.

***Subtitle D***  
**Coal to Liquid**

*Sec. 151 – Development and operation of facilities*

The provision authorizes the Department of Defense to develop, construct, and operate a qualified coal-to-liquids facility.

*Sec. 152 – Definitions relating to coal-to-liquid fuel and facilities*

The provision defines a Coal-to-Liquid facility and Coal-to-Liquid fuel.

*Sec. 153 – Repeal*

The provision repeals Section 526 of Public Law 110-140, the Energy Independence and Security Act of 2007. Section 526 states in its entirety:





*No Federal agency shall enter into a contract for procurement of an alternative or synthetic fuel, including a fuel produced from nonconventional petroleum sources, for any mobility-related use, other than for research or testing, unless the contract specifies that the lifecycle greenhouse gas emissions associated with the production and combustion of the fuel supplied under the contract must, on an ongoing basis, be less than or equal to such emissions from the equivalent conventional fuel produced from conventional petroleum sources.*

## **Subtitle E Nuclear**

### *Sec. 161 – Findings and policy*

The provision includes a list of Congressional findings on nuclear power.

### *Sec. 162 – 200 operating permits by 2040*

The provision mandates the issuance of 200 operating permits, if such permit applications are pending, for new commercial nuclear reactors by 2040.

### *Sec. 163 – Repeal of Office of Civilian Radioactive Waste Management*

The provision repeals the Office of Civilian Radioactive Waste Management.

### *Sec. 164 – Radiological material repository*

The provision restates that the Federal Government shall site and permit at least one geologic repository with Yucca Mountain being the primary site unless found scientifically and technologically unfeasible. It further removes the statutory limitations on the amount of radiological material that can be placed in Yucca Mountain and requires that new limits be based on a scientific analysis. The Nuclear Regulatory Commission (NRC) shall be responsible to identify an alternative repository if Yucca Mountain is not a suitable location.

### *Sec. 165 – Independent radiological material management*

The provision requires the Department of Energy to report back to Congress on the feasibility of issuing a contract, through competitive bidding, to an entity to manage the Nation's geologic repository. The report will also determine the feasibility of transferring control and ownership of all NRC issued licenses and responsibilities for the operation of Yucca Mountain to the managing entity. The goal is the new managing entity will have a range of responsibilities to include setting a fee structure for storage (intended to replace the current fee structure) that will not exceed the operation and maintenance costs of the repository, but will take into account volume, toxicity, heat load, and repository costs.

### *Sec. 166 – Spent nuclear fuel recycling*

The provision requires that within two years of enactment, the NRC shall complete a rulemaking to establish a process of licensing facilities for the recycling of spent nuclear fuel.





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#### *Sec. 167 – Nuclear fuel supply reserve*

The provision requires the Secretary of Energy to conduct an inventory of all materials owned by the department that could be used to power commercial nuclear reactors. Furthermore, it requires the Secretary to establish a nuclear fuel supply reserve consisting of the material identified in the inventory.

#### *Sec. 168 – Public health and safety*

The provision reaffirms that nothing in the act shall prevent the NRC from maintaining the highest levels of public health and safety standards.

#### *Sec. 169 – Streamlining Combined Construction and Operating License*

The provision requires the NRC to establish an expedited procedure for issuing a Combined Construction and Operating License. To qualify for the combined license the reactor must be based on a design certified by the NRC, located on or adjacent to a site where an operating nuclear power plant already exists, and the operator must not be currently subject to an NRC order to modify, suspend, or revoke a license. In conducting expedited procedures, the NRC shall complete an environmental review within 12 months, conduct public licensing hearings within 24 months of completion of environmental review, issue a Safety Evaluation Report within 18 months of the application being submitted, and make a final decision on the license within 25 months of the application being submitted.

#### *Sec. 170 – Reactor design certification*

The provision expedites provisional certification of reactor designs by setting 60 days to approve or deny the request. In determining the approval of a provisional certification, the NRC shall determine if the proposed design is based on existing proven technology, has been approved by internationally recognized regulators, and is safely operating or under construction in other nations.

#### *Sec. 171 – Technology-Neutral plant design specifications*

The provision requires the NRC to report to Congress on recommendations for the development of technology-neutral plant designs.

#### *Sec. 172 – Additional funding and personnel resources*

The provision requires the NRC to submit a request to Congress on funding and personnel needs to implement Sections 169-171 in this act.

#### *Sec. 173 – National Nuclear Energy Council*

The provision establishes a National Nuclear Energy Council which will serve in an advisory capacity to the Secretary of Energy. The Council membership will be appointed by the Secretary.





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*Sec. 174 – Next Generation Nuclear Plant*

The provision requires the NRC to review the Next Generation Nuclear Plant Licensing Strategy report submitted to Congress in August 2008 and submit to Congress a revised schedule and funding requirements that would allow for the program to be completed.

*Sec. 175 – Uranium mining on Federal lands*

The provision bans the Secretary of Interior from preventing uranium mining on Federal lands unless for justifiable reasons. It also prevents the Federal government from imposing any additional fees and that current fees collected will only be used to remediate sites to the extent necessary to address damage as a result of commercial reactors – not Federal activities.

*Sec. 176 – Small and modular reactor licensing*

The provision requires the NRC to report to Congress on recommendations for streamlined licensing procedures for small and modular nuclear reactors – to include the personnel and financial resources necessary. It then provides the NRC one year to implement regulations based on the recommendations.

*Sec. 177 – Limitation on regulatory time frame*

The provision prevents the Environmental Protection Agency from considering environmental effects that could occur more than 10,000 years after the date of regulatory action.

*Sec. 178 – Definition*

The provision defines the term “radiological material” as a byproduct of the production of nuclear power, including high-level nuclear waste and spent nuclear fuel. But, it does not include low-level radiological material as defined in the Nuclear Waste Policy Act of 1982.

## **TITLE II**

### **AMERICAN-MADE ENERGY TRUST FUND**

*Sec. 201 - Establishment of American-Made Energy Trust Fund*

The provision creates a federal trust fund in which the federal share of lease and royalty revenue from oil and natural gas production in the ANWR and in the OCS is deposited; the deposits in the trust fund will be used to fund the reverse auction mechanism for renewable energy production in Title III.





### TITLE III

## REVERSE AUCTION MECHANISM FOR RENEWABLE ENERGY PRODUCTION

### *Sec. 301 – Reverse Auction Mechanism for renewable energy generation*

The provision includes the following:

- (a) The Secretary of Energy shall establish a reverse auction program using the funds from the American-Made Energy Trust Fund.
- (b) The Secretary shall establish a Reverse Auction Authority and appoint a Director.
- (c) The Director shall conduct a minimum of two renewable energy reverse auctions per calendar year in each Electric Power Markets identified by the Federal Energy Regulatory Commission. The bidding in the auction shall be based on the price per megawatt of electricity. The operator shall provide a deposit of an appropriate amount per kilowatt to be generated. Such deposit shall be due at the time of initial bid and shall be refunded when the facility begins operation or an operator has the losing bid. If the facility is not in operation by the contracted terms, the operator shall forfeit such deposit. The Director shall set a reserve price which shall be a minimum bid above which no bid may win the auction. The reserve price will remain confidential until five years after the date of the auction. The selected bids will incorporate the lowest bid per megawatt and an assessment of existing subsidies received by the bidder. The Director shall ensure that, on a five year rolling average, not more than 60% of funds awarded are for one type of renewable energy sources and not more than 90% are for any combination of two types of renewable energy sources. The funds in the auction shall be allocated to accommodate various sizes of production: 25% of the funds will be awarded to small generating capacity bidders; 25% for mid-sized generating capacity bidders; and 50% to large generating capacity bidders. The Secretary shall determine standard size amounts of electric energy up for auction.
- (d) The winning bidder shall enter into a contract with the Director delineating the terms of the award of funds. At a minimum, the contract should include a number of megawatts per year, a two year carry-over period to allow for low production years, and a termination clause in the instance of a failure to meet contracted generation power over four consecutive years. The Director may disburse funds on an annual basis and ensure the qualified facility be in operation not later than 18 months after the auction is conducted. The Secretary may grant a one-time six month extension of the deadline for operation as long as the operator demonstrates that the delay is due to regulatory constraints beyond the control of the operator.
- (e) The Secretary may determine penalties for failure to meet contract terms which may include fines and or a ban from future participation in the auction.
- (f) Funds awarded from the auction shall not be included in gross income for the purposes of tax filing.
- (g) A taxpayer who wins an auction may not claim tax credits under sections 45 and 48 for the specific facility nor can the facility be covered by a federal loan guarantee.
- (h) The Secretary shall have 180 days to promulgate regulations to carry out the reverse auction program.





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## **TITLE IV**

### **PROHIBITION OF CONSIDERATION OF GREENHOUSE GAS**

*Sec. 401 – Clean Air Act regulation*

The provision bans the Environmental Protection Agency from promulgating greenhouse gas regulations for the purposes of climate change. It defines greenhouse gas as: carbon dioxide, methane, nitrous oxide, hydrofluorocarbon, perfluorocarbon, or sulfur hexafluoride.

*Sec. 402 – Endangered Species Act regulation*

The provision prevents the climate change related impacts of greenhouse gas on a species from being considered in implementing the Endangered Species Act. It defines greenhouse gas the same as in Section 401.

