

generated from the facility is first eligible for such payments.

(e) Amount of payment

(1) In general

Payments made by the Secretary under this section to the owner or operator of a qualified hydroelectric facility shall be based on the number of kilowatt hours of hydroelectric energy generated by the facility during the incentive period. For any such facility, the amount of such payment shall be 1.8 cents per kilowatt hour (adjusted as provided in paragraph (2)), subject to the availability of appropriations under subsection (g), except that no facility may receive more than \$750,000 in 1 calendar year.

(2) Adjustments

The amount of the payment made to any person under this section as provided in paragraph (1) shall be adjusted for inflation for each fiscal year beginning after calendar year 2005 in the same manner as provided in the provisions of section 29(d)(2)(B)¹ of title 26, except that in applying such provisions the calendar year 2005 shall be substituted for calendar year 1979.

(f) Sunset

No payment may be made under this section to any qualified hydroelectric facility after the expiration of the period of 20 fiscal years beginning with the first full fiscal year occurring after August 8, 2005, and no payment may be made under this section to any such facility after a payment has been made with respect to such facility for a period of 10 fiscal years.

(g) Authorization of appropriations

There are authorized to be appropriated to the Secretary to carry out the purposes of this section \$10,000,000 for each of the fiscal years 2006 through 2015.

(Pub. L. 109-58, title II, §242, Aug. 8, 2005, 119 Stat. 677.)

REFERENCES IN TEXT

Section 29 of title 26, referred to in subsec. (e)(2), was renumbered section 45K of title 26 by Pub. L. 109-58, title XIII, §1322(a)(1), Aug. 8, 2005, 119 Stat. 1011.

§ 15882. Hydroelectric efficiency improvement

(a) Incentive payments

The Secretary shall make incentive payments to the owners or operators of hydroelectric facilities at existing dams to be used to make capital improvements in the facilities that are directly related to improving the efficiency of such facilities by at least 3 percent.

(b) Limitations

Incentive payments under this section shall not exceed 10 percent of the costs of the capital improvement concerned and not more than 1 payment may be made with respect to improvements at a single facility. No payment in excess of \$750,000 may be made with respect to improvements at a single facility.

¹ See References in Text note below.

(c) Authorization of appropriations

There are authorized to be appropriated to carry out this section not more than \$10,000,000 for each of the fiscal years 2006 through 2015.

(Pub. L. 109-58, title II, §243, Aug. 8, 2005, 119 Stat. 678.)

PART D—INSULAR ENERGY

§ 15891. Projects enhancing insular energy independence

(a) Project feasibility studies

(1) In general

On a request described in paragraph (2), the Secretary shall conduct a feasibility study of a project to implement a strategy or project identified in the plans submitted to Congress pursuant to section 1492 of title 48 as having the potential to—

- (A) significantly reduce the dependence of an insular area on imported fossil fuels; or
- (B) provide needed distributed generation to an insular area.

(2) Request

The Secretary shall conduct a feasibility study under paragraph (1) on—

- (A) the request of an electric utility located in an insular area that commits to fund at least 10 percent of the cost of the study; and
- (B) if the electric utility is located in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, written support for that request by the President or the Ambassador of the affected freely associated state.

(3) Consultation

The Secretary shall consult with regional utility organizations in—

- (A) conducting feasibility studies under paragraph (1); and
- (B) determining the feasibility of potential projects.

(4) Feasibility

For the purpose of a feasibility study under paragraph (1), a project shall be determined to be feasible if the project would significantly reduce the dependence of an insular area on imported fossil fuels, or provide needed distributed generation to an insular area, at a reasonable cost.

(b) Implementation

(1) In general

On a determination by the Secretary (in consultation with the Secretary of the Interior) that a project is feasible under subsection (a) and a commitment by an electric utility to operate and maintain the project, the Secretary may provide such technical and financial assistance as the Secretary determines is appropriate for the implementation of the project.

(2) Regional utility organizations

In providing assistance under paragraph (1), the Secretary shall consider providing the assistance through regional utility organizations.