

rent with, submission of the budget for fiscal year 2008.

**(d) Report**

Not later than 5 years after August 8, 2005, the Secretary shall provide to Congress a report on the economic and technical potential for electricity or hydrogen production, with or without cogeneration, with concentrating solar power, including the economic and technical feasibility of potential construction of a pilot demonstration facility suitable for commercial production of electricity or hydrogen from concentrating solar power.

(Pub. L. 109–58, title IX, §934, Aug. 8, 2005, 119 Stat. 872.)

**§ 16235. Renewable energy in public buildings**

**(a) Demonstration and technology transfer program**

The Secretary shall establish a program for the demonstration of innovative technologies for solar and other renewable energy sources in buildings owned or operated by a State or local government, and for the dissemination of information resulting from such demonstration to interested parties.

**(b) Limit on Federal funding**

Notwithstanding section 16352 of this title, the Secretary shall provide under this section no more than 40 percent of the incremental costs of the solar or other renewable energy source project funded.

**(c) Requirements**

As part of the application for awards under this section, the Secretary shall require all applicants—

- (1) to demonstrate a continuing commitment to the use of solar and other renewable energy sources in buildings they own or operate; and
- (2) to state how they expect any award to further their transition to the significant use of renewable energy.

(Pub. L. 109–58, title IX, §935, Aug. 8, 2005, 119 Stat. 873.)

PART D—AGRICULTURAL BIOMASS RESEARCH AND DEVELOPMENT PROGRAMS

**§ 16251. Production incentives for cellulosic biofuels**

**(a) Purpose**

The purpose of this section is to—

- (1) accelerate deployment and commercialization of biofuels;
- (2) deliver the first 1,000,000,000 gallons in annual cellulosic biofuels production by 2015;
- (3) ensure biofuels produced after 2015 are cost competitive with gasoline and diesel; and
- (4) ensure that small feedstock producers and rural small businesses are full participants in the development of the cellulosic biofuels industry.

**(b) Definitions**

In this section:

**(1) Cellulosic biofuels**

The term “cellulosic biofuels” means any fuel that is produced from cellulosic feedstocks.

**(2) Eligible entity**

The term “eligible entity” means a producer of fuel from cellulosic biofuels the production facility of which—

- (A) is located in the United States;
- (B) meets all applicable Federal and State permitting requirements; and
- (C) meets any financial criteria established by the Secretary.

**(c) Program**

**(1) Establishment**

The Secretary, in consultation with the Secretary of Agriculture, the Secretary of Defense, and the Administrator of the Environmental Protection Agency, shall establish an incentive program for the production of cellulosic biofuels.

**(2) Basis of incentives**

Under the program, the Secretary shall award production incentives on a per gallon basis of cellulosic biofuels from eligible entities, through—

- (A) set payments per gallon of cellulosic biofuels produced in an amount determined by the Secretary, until initiation of the first reverse auction; and
- (B) reverse auction thereafter.

**(3) First reverse auction**

The first reverse auction shall be held on the earlier of—

- (A) not later than 1 year after the first year of annual production in the United States of 100,000,000 gallons of cellulosic biofuels, as determined by the Secretary; or
- (B) not later than 3 years after August 8, 2005.

**(4) Reverse auction procedure**

**(A) In general**

On initiation of the first reverse auction, and each year thereafter until the earlier of the first year of annual production in the United States of 1,000,000,000 gallons of cellulosic biofuels, as determined by the Secretary, or 10 years after August 8, 2005, the Secretary shall conduct a reverse auction at which—

- (i) the Secretary shall solicit bids from eligible entities;
- (ii) eligible entities shall submit—
  - (I) a desired level of production incentive on a per gallon basis; and
  - (II) an estimated annual production amount in gallons; and

(iii) the Secretary shall issue awards for the production amount submitted, beginning with the eligible entity submitting the bid for the lowest level of production incentive on a per gallon basis and meeting such other criteria as are established by the Secretary, until the amount of funds available for the reverse auction is committed.

**(B) Amount of incentive received**

An eligible entity selected by the Secretary through a reverse auction shall receive the amount of performance incentive