

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—114th Cong., 1st Sess.

S. 1933

To establish a comprehensive United States Government policy to encourage the efforts of countries in sub-Saharan Africa to develop an appropriate mix of power solutions, including renewable energy, for more broadly distributed electricity access in order to support poverty reduction, promote development outcomes, and drive economic growth, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. CORKER

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electrify Africa Act
5 of 2015”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to encourage the efforts
8 of countries in sub-Saharan Africa to improve access to
9 affordable and reliable electricity in Africa in order to

1 unlock the potential for economic growth, job creation,
2 food security, improved health, education, and environ-
3 mental outcomes, and poverty reduction.

4 **SEC. 3. STATEMENT OF POLICY.**

5 It is the policy of the United States to partner, con-
6 sult, and coordinate with the governments of sub-Saharan
7 African countries, international financial institutions, and
8 African regional economic communities, cooperatives, and
9 the private sector, in a concerted effort to—

10 (1) promote first-time access to power and
11 power services for at least 50,000,000 people in sub-
12 Saharan Africa by 2020 in both urban and rural
13 areas;

14 (2) encourage the installation of at least 20,000
15 additional megawatts of electrical power in sub-Sa-
16 haran Africa by 2020 using a broad mix of energy
17 options to help reduce poverty, promote sustainable
18 development, and drive economic growth;

19 (3) promote reliable, affordable, and sustainable
20 power in urban areas (including small urban areas)
21 to promote economic growth and job creation;

22 (4) promote policies to facilitate public-private
23 partnerships to provide electrical service to rural and
24 underserved populations;

1 (5) encourage the necessary in-country reforms,
2 including facilitating public-private partnerships spe-
3 cifically to support electricity access projects to
4 make such expansion of power access possible;

5 (6) promote reforms of power production, deliv-
6 ery, and pricing, as well as regulatory reforms and
7 transparency, to support long-term, market-based
8 power generation and distribution;

9 (7) promote policies to displace kerosene light-
10 ing with other technologies; and

11 (8) promote an all-of-the-above energy develop-
12 ment strategy for sub-Saharan Africa that includes
13 the use of oil, natural gas, coal, hydroelectric, wind,
14 solar, and geothermal power, and other sources of
15 energy.

16 **SEC. 4. DEVELOPMENT OF COMPREHENSIVE, MULTIYEAR**
17 **STRATEGY.**

18 (a) STRATEGY REQUIRED.—

19 (1) IN GENERAL.—The President shall establish
20 a comprehensive, integrated, multiyear strategy to
21 encourage the efforts of countries in sub-Saharan
22 Africa to implement national power strategies and
23 develop an appropriate mix of power solutions to
24 provide access to sufficient reliable, affordable, and
25 sustainable power in order to reduce poverty and

1 drive economic growth and job creation consistent
2 with the policy stated in section 3.

3 (2) FLEXIBILITY AND RESPONSIVENESS.—The
4 President shall ensure that the strategy required
5 under paragraph (1) maintains sufficient flexibility
6 for and remains responsive to technological innova-
7 tion in the power sector.

8 (b) REPORT REQUIRED.—Not later than 180 days
9 after the date of the enactment of this Act, the President
10 shall transmit to the Committee on Foreign Relations of
11 the Senate and the Committee on Foreign Affairs of the
12 House of Representatives a report that contains the strat-
13 egy required under subsection (a) and includes a discus-
14 sion of the following elements:

15 (1) The objectives of the strategy and the cri-
16 teria for determining the success of the strategy.

17 (2) A general description of efforts in sub-Saha-
18 ran Africa to—

19 (A) increase power production;

20 (B) strengthen electrical transmission and
21 distribution infrastructure;

22 (C) provide for regulatory reform and
23 transparent and accountable governance and
24 oversight;

25 (D) improve the reliability of power;

1 (E) maintain the affordability of power;

2 (F) maximize the financial sustainability of

3 the power sector; and

4 (G) improve access to power.

5 (3) A description of plans to support efforts of

6 countries in sub-Saharan Africa to increase access to

7 power in urban and rural areas, including a descrip-

8 tion of plans designed to address commercial, indus-

9 trial, and residential needs.

10 (4) A description of plans to support efforts to

11 reduce waste and corruption and improve existing

12 power generation through the use of a broad power

13 mix, including fossil fuel and renewable energy, dis-

14 tributed generation models, energy efficiency, and

15 other technological innovations, as appropriate.

16 (5) An analysis of existing mechanisms for en-

17 suring, and recommendations to promote—

18 (A) commercial cost recovery;

19 (B) commercialization of electric service

20 through distribution service providers, including

21 cooperatives, to consumers;

22 (C) improvements in revenue cycle man-

23 agement, power pricing, and fees assessed for

24 service contracts and connections;

1 (D) reductions in technical losses and com-
2 mercial losses; and

3 (E) access to power, including rec-
4 ommendations on the creation of new service
5 provider models that mobilize community par-
6 ticipation in the provision of power services.

7 (6) A description of the reforms being under-
8 taken or planned by countries in sub-Saharan Africa
9 to ensure the long-term economic viability of power
10 projects and to increase access to power, including—

11 (A) reforms designed to allow third parties
12 to connect power generation to the grid;

13 (B) policies to ensure there is a viable and
14 independent utility regulator;

15 (C) strategies to ensure utilities become or
16 remain creditworthy;

17 (D) regulations that permit the participa-
18 tion of independent power producers and pri-
19 vate-public partnerships;

20 (E) policies that encourage private sector
21 and cooperative investment in power generation;

22 (F) policies that ensure compensation for
23 power provided to the electrical grid by on-site
24 producers;

25 (G) policies to unbundle power services;

1 (H) regulations to eliminate conflicts of in-
2 terest in the utility sector; and

3 (I) efforts to develop standardized power
4 purchase agreements and other contracts to
5 streamline project development; and efforts to
6 negotiate and monitor compliance with power
7 purchase agreements and other contracts en-
8 tered into with the private sector.

9 (7) A description of plans to ensure meaningful
10 local consultation, as appropriate, in the planning,
11 long-term maintenance, and management of invest-
12 ments designed to increase access to power in sub-
13 Saharan Africa.

14 (8) A description of the mechanisms to be es-
15 tablished for—

16 (A) selection of partner countries for fo-
17 cused engagement on the power sector;

18 (B) monitoring and evaluating increased
19 access to, and reliability and affordability of,
20 power in sub-Saharan Africa;

21 (C) maximizing the financial sustainability
22 of power generation, transmission, and distribu-
23 tion in sub-Saharan Africa;

24 (D) establishing metrics to demonstrate
25 progress on meeting goals relating to access to

1 power, power generation, and distribution in
2 sub-Saharan Africa; and

3 (E) terminating unsuccessful programs.

4 (9) A description of how the President intends
5 to promote trade in electrical equipment with coun-
6 tries in sub-Saharan Africa, including a description
7 of how the government of each country receiving as-
8 sistance pursuant to the strategy—

9 (A) plans to lower or eliminate import tar-
10 iffs or other taxes for energy and other power
11 production and distribution technologies des-
12 tined for sub-Saharan Africa, including equip-
13 ment used to provide energy access, including
14 solar lanterns, solar home systems, and micro
15 and mini grids; and

16 (B) plans to protect the intellectual prop-
17 erty of companies designing and manufacturing
18 products that can be used to provide energy ac-
19 cess in sub-Saharan Africa.

20 (10) A description of how the President intends
21 to encourage the growth of distributed renewable en-
22 ergy markets in sub-Saharan Africa, including off-
23 grid lighting and power, that includes—

24 (A) an analysis of the state of distributed
25 renewable energy in sub-Saharan Africa;

1 (B) a description of market barriers to the
2 deployment of distributed renewable energy
3 technologies both on- and off-grid in sub-Saha-
4 ran Africa;

5 (C) an analysis of the efficacy of efforts by
6 the Overseas Private Investment Corporation
7 and the United States Agency for International
8 Development to facilitate the financing of the
9 importation, distribution, sale, leasing, or mar-
10 keting of distributed renewable energy tech-
11 nologies; and

12 (D) a description of how bolstering distrib-
13 uted renewable energy can enhance the overall
14 effort to increase power access in sub-Saharan
15 Africa.

16 (11) A description of plans to ensure that small
17 and medium enterprises based in sub-Saharan Africa
18 can fairly compete for energy development and en-
19 ergy access opportunities associated with this Act.

20 (c) INTERAGENCY WORKING GROUP.—

21 (1) IN GENERAL.—The President may, as ap-
22 propriate, establish an Interagency Working Group
23 to coordinate the activities of relevant United States
24 Government departments and agencies involved in

1 carrying out the strategy required under this sec-
2 tion.

3 (2) FUNCTIONS.—The Interagency Working
4 Group may, among other things—

5 (A) seek to coordinate the activities of the
6 United States Government departments and
7 agencies involved in implementing the strategy
8 required under this section;

9 (B) ensure efficient and effective coordina-
10 tion between participating departments and
11 agencies; and

12 (C) facilitate information sharing, and co-
13 ordinate partnerships between the United
14 States Government, the private sector, and
15 other development partners to achieve the goals
16 of the strategy.

17 **SEC. 5. PRIORITIZATION OF EFFORTS AND ASSISTANCE**
18 **FOR POWER PROJECTS IN SUB-SAHARAN AF-**
19 **RICA BY KEY UNITED STATES INSTITUTIONS.**

20 (a) IN GENERAL.—In pursuing the policy goals de-
21 scribed in section 3, the Administrator of the United
22 States Agency for International Development, the Director
23 of the Trade and Development Agency, the Overseas Pri-
24 vate Investment Corporation, and the Chief Executive Of-
25 ficer and Board of Directors of the Millennium Challenge

1 Corporation should, as appropriate, prioritize and expedite
2 institutional efforts and assistance to facilitate the involve-
3 ment of such institutions in power projects and markets,
4 both on- and off-grid, in sub-Saharan Africa and partner
5 with other investors and local institutions in sub-Saharan
6 Africa, including private sector actors, to specifically in-
7 crease access to reliable, affordable, and sustainable power
8 in sub-Saharan Africa, including through—

9 (1) maximizing the number of people with new
10 access to power and power services;

11 (2) improving and expanding the generation,
12 transmission and distribution of power;

13 (3) providing reliable power to people and busi-
14 nesses in urban and rural communities;

15 (4) addressing the energy needs of people living
16 in areas where there is little or no access to a power
17 grid and developing plans to systematically increase
18 coverage in rural areas;

19 (5) reducing transmission and distribution
20 losses and improving end-use efficiency and demand-
21 side management;

22 (6) reducing energy-related impediments to
23 business productivity and investment; and

24 (7) building the capacity of countries in sub-Sa-
25 haran Africa to monitor and appropriately and

1 transparently regulate the power sector and encour-
2 age private investment in power production and dis-
3 tribution.

4 (b) EFFECTIVENESS MEASUREMENT.—In
5 prioritizing and expediting institutional efforts and assist-
6 ance pursuant to this section, as appropriate, such institu-
7 tions shall use clear, accountable, and metric-based targets
8 to measure the effectiveness of such guarantees and assist-
9 ance in achieving the goals described in section 3.

10 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
11 tion may be construed to authorize modifying or limiting
12 the portfolio of the institutions covered by subsection (a)
13 in other developing regions.

14 **SEC. 6. LEVERAGING INTERNATIONAL SUPPORT.**

15 In implementing the strategy described in section 4,
16 the President should direct the United States' representa-
17 tives to appropriate international bodies to use the influ-
18 ence of the United States, consistent with the broad devel-
19 opment goals of the United States, to advocate that each
20 such body—

21 (1) commit to significantly increase efforts to
22 promote investment in well-designed power sector
23 and electrification projects in sub-Saharan Africa
24 that increase energy access, in partnership with the

1 private sector and consistent with the host countries'
2 absorptive capacity;

3 (2) address energy needs of individuals and
4 communities where access to an electricity grid is
5 impractical or cost-prohibitive;

6 (3) enhance coordination with the private sector
7 in sub-Saharan Africa to increase access to elec-
8 tricity;

9 (4) provide technical assistance to the regu-
10 latory authorities of sub-Saharan African govern-
11 ments to remove unnecessary barriers to investment
12 in otherwise commercially viable projects; and

13 (5) utilize clear, accountable, and metric-based
14 targets to measure the effectiveness of such projects.

15 **SEC. 7. PROGRESS REPORT.**

16 (a) IN GENERAL.—Not later than three years after
17 the date of the enactment of this Act, the President shall
18 transmit to the Committee on Foreign Affairs of the
19 House of Representatives and the Committee on Foreign
20 Relations of the Senate a report on progress made toward
21 achieving the strategy described in section 4 that includes
22 the following:

23 (1) A report on United States programs sup-
24 porting implementation of policy and legislative
25 changes leading to increased power generation and

1 access in sub-Saharan Africa, including a description
2 of the number, type, and status of policy, regulatory,
3 and legislative changes initiated or implemented as
4 a result of programs funded or supported by the
5 United States in countries in sub-Saharan Africa to
6 support increased power generation and access after
7 the date of the enactment of this Act.

8 (2) A description of power projects receiving
9 United States Government support and how such
10 projects, including off-grid efforts, are intended to
11 achieve the strategy described in section 4.

12 (3) For each project described in paragraph
13 (2)—

14 (A) a description of how the project fits
15 into, or encourages modifications of, the na-
16 tional energy plan of the country in which the
17 project will be carried out, including encour-
18 aging regulatory reform in that county;

19 (B) an estimate of the total cost of the
20 project to the consumer, the country in which
21 the project will be carried out, and other inves-
22 tors;

23 (C) the amount of financing provided or
24 guaranteed by the United States Government
25 for the project;

1 (D) an estimate of United States Govern-
2 ment resources for the project, itemized by
3 funding source, including from the Overseas
4 Private Investment Corporation, the United
5 States Agency for International Development,
6 the Department of the Treasury, and other ap-
7 propriate United States Government depart-
8 ments and agencies;

9 (E) an estimate of the number of individ-
10 uals, communities, businesses, schools, and
11 health facilities that have gained power connec-
12 tions as a result of the project, with a descrip-
13 tion of how the reliability, affordability, and
14 sustainability of power has been improved as of
15 the date of the report;

16 (F) an assessment of the increase in the
17 number of people and businesses with access to
18 power, and in the operating electrical power ca-
19 pacity in megawatts as a result of the project
20 between the date of the enactment of this Act
21 and the date of the report;

22 (G) a description of efforts to gain mean-
23 ingful local consultation for projects associated
24 with this Act and any significant estimated

1 noneconomic effects of the efforts carried out
2 pursuant to this Act; and

3 (H) A description of the participation by
4 small and medium enterprises based in sub-Sa-
5 haran Africa on projects associated with this
6 Act.