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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To amend the Energy Policy and Conservation Act to establish a program to provide loans to implement cost-effective energy efficiency measures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. KUSTER of New Hampshire introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Energy Policy and Conservation Act to establish a program to provide loans to implement cost-effective energy efficiency measures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Energy
5 Savings Program Act of 2019”.

1 **SEC. 2. COMMUNITY ENERGY SAVINGS PROGRAM.**

2 (a) IN GENERAL.—The Energy Policy and Conserva-
3 tion Act is amended by inserting after section 362 (42
4 U.S.C. 6322) the following:

5 **“SEC. 362A. COMMUNITY ENERGY SAVINGS PROGRAM.**

6 “(a) PURPOSE.—The purpose of this section is to
7 help households and small businesses achieve cost savings
8 by providing loans to implement cost-effective energy effi-
9 ciency measures.

10 “(b) DEFINITIONS.—In this section:

11 “(1) COMMUNITY DEVELOPMENT FINANCIAL IN-
12 STITUTION.—The term ‘community development fi-
13 nancial institution’ means a financial institution cer-
14 tified by the Community Development Financial In-
15 stitutions Fund administered by the Secretary of the
16 Treasury.

17 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
18 tity’ means—

19 “(A) a public power group;

20 “(B) a community development financial
21 institution; and

22 “(C) an eligible unit of local government.

23 “(3) ELIGIBLE UNIT OF LOCAL GOVERN-
24 MENT.—The term ‘eligible unit of local government’
25 means any agency or political subdivision of a State.

1 “(4) ENERGY EFFICIENCY MEASURES.—The
2 term ‘energy efficiency measures’ means, with re-
3 spect to a property served by or in the service area
4 or jurisdiction, as applicable, of an eligible entity,
5 structural improvements and investments in cost-ef-
6 fective commercial technologies to increase energy
7 efficiency (including cost-effective on- or off-grid re-
8 newable energy, energy storage, or demand response
9 systems).

10 “(5) HOUSEHOLD WITH A HIGH ENERGY BUR-
11 DEN.—

12 “(A) IN GENERAL.—The term ‘household
13 with a high energy burden’ means a low-income
14 household the residential energy burden of
15 which exceeds the median energy burden for all
16 low-income households in the State in which the
17 low-income household is located.

18 “(B) CALCULATION.—The residential en-
19 ergy burden referred to in subparagraph (A) is
20 the quotient obtained by dividing residential en-
21 ergy expenditures by the annual income of the
22 low-income household.

23 “(6) INDIAN TRIBE.—The term ‘Indian tribe’
24 has the meaning given the term in section 4 of the

1 Indian Self-Determination and Education Assistance
2 Act (25 U.S.C. 5304).

3 “(7) MANUFACTURED HOME.—The term ‘man-
4 ufactured home’—

5 “(A) has the meaning given the term in
6 section 603 of the National Manufactured
7 Housing Construction and Safety Standards
8 Act of 1974 (42 U.S.C. 5402); and

9 “(B) includes a home described in sub-
10 paragraph (A) without regard to whether the
11 home was built before, on, or after the date on
12 which the construction and safety standards es-
13 tablished under section 604 of that Act (42
14 U.S.C. 5403) became effective.

15 “(8) PROGRAM.—The term ‘program’ means
16 the program established under subsection (c).

17 “(9) PUBLIC POWER GROUP.—The term ‘public
18 power group’ means—

19 “(A) a public utility;

20 “(B) an electric or energy cooperative;

21 “(C) a public power district; and

22 “(D) a group of 1 or more public utilities
23 or electric or energy cooperatives (commonly re-
24 ferred to as a ‘joint action agency’, ‘generation

1 and transmission cooperative’, ‘municipal power
2 association’, or ‘State cooperative association’).

3 “(10) QUALIFIED CONSUMER.—The term
4 ‘qualified consumer’ means a consumer served by or
5 in the service area or jurisdiction, as applicable, of
6 an eligible entity that has the ability to repay a loan
7 made under subsection (f), as determined by the eli-
8 gible entity.

9 “(11) SECRETARY.—The term ‘Secretary’
10 means the Secretary of Energy.

11 “(12) STATE.—The term ‘State’ means—

12 “(A) a State;

13 “(B) the District of Columbia;

14 “(C) the Commonwealth of Puerto Rico;

15 and

16 “(D) any other territory or possession of
17 the United States.

18 “(c) ESTABLISHMENT.—Not later than 120 days
19 after the date of enactment of this section, the Secretary
20 shall establish a program under which the Secretary shall
21 provide grants to States and Indian tribes to provide loans
22 to eligible entities in accordance with this section.

23 “(d) GRANT FUND ALLOCATION.—

1 “(1) IN GENERAL.—Of the amount appro-
2 priated under subsection (k) for each fiscal year, the
3 Secretary shall allocate as grant funds—

4 “(A) 98 percent to be provided to States in
5 accordance with paragraph (2); and

6 “(B) 2 percent to be provided to Indian
7 tribes in accordance with paragraph (3).

8 “(2) ALLOCATION TO STATES.—Of the amount
9 allocated for all States under paragraph (1)(A), the
10 Secretary shall—

11 “(A) allocate not less than 1 percent to
12 each State described in subparagraphs (A)
13 through (C) of subsection (b)(12);

14 “(B) allocate not less than 0.5 percent to
15 each State described in subparagraph (D) of
16 that subsection; and

17 “(C) of the amount remaining after the al-
18 locations under subparagraphs (A) and (B), al-
19 locate funds to States based on the population
20 of each State as determined in the latest avail-
21 able decennial census conducted under section
22 141(a) of title 13, United States Code.

23 “(3) ALLOCATION TO INDIAN TRIBES.—Of the
24 amount allocated for Indian tribes under paragraph
25 (1)(B), the Secretary shall allocate funds to each In-

1 dian tribe participating in the program during that
2 fiscal year based on a formula established by the
3 Secretary that takes into account any factor that the
4 Secretary determines to be appropriate.

5 “(4) PUBLICATION OF ALLOCATION FOR-
6 MULAS.—Not later than 90 days before the begin-
7 ning of each fiscal year for which grants are pro-
8 vided to States and Indian tribes under this section,
9 the Secretary shall publish in the Federal Register
10 the formulas for allocation established under this
11 subsection.

12 “(5) ADMINISTRATIVE COSTS.—Of the amount
13 allocated to a State or Indian tribe under this sub-
14 section, not more than 15 percent shall be used by
15 the State or Indian tribe for the administrative costs
16 of administering loans.

17 “(e) LOANS BY STATES AND INDIAN TRIBES TO ELI-
18 GIBLE ENTITIES.—

19 “(1) IN GENERAL.—Under the program, a
20 State or Indian tribe shall make loans to eligible en-
21 tities to make loans to qualified consumers—

22 “(A) to implement cost-effective energy ef-
23 ficiency measures; and

24 “(B) in accordance with subsection (f).

1 “(2) STATE ENERGY OFFICES.—A State shall
2 carry out paragraph (1) through the State energy
3 office that is responsible for developing a State en-
4 ergy conservation plan under section 362.

5 “(3) PRIORITY.—In making loans under para-
6 graph (1), a State or Indian tribe shall give priority
7 to public power groups.

8 “(4) REQUIREMENTS.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (C), as a condition of receiving a loan
11 under this subsection, an eligible entity shall—

12 “(i) establish a list of energy effi-
13 ciency measures that are expected to de-
14 crease the energy use or costs of qualified
15 consumers;

16 “(ii) prepare an implementation plan
17 for use of the loan funds, including the use
18 of any interest to be received under sub-
19 section (f)(4);

20 “(iii) establish an appropriate meas-
21 urement and verification system to en-
22 sure—

23 “(I) the effectiveness of the en-
24 ergy efficiency loans made by the eli-
25 gible entity; and

1 “(II) that there is no conflict of
2 interest in any loan provided by the
3 eligible entity;

4 “(iv) demonstrate expertise in the ef-
5 fective implementation of energy efficiency
6 measures;

7 “(v) ensure that a portion of the loan
8 funds, which may be determined by the
9 State or Indian tribe, are used to provide
10 loans to qualified consumers that are
11 households with a high energy burden; and

12 “(vi) give priority to providing loans
13 to qualified consumers that own homes or
14 other real property that pose health risks
15 to the occupants of the property that may
16 be mitigated by energy efficiency measures,
17 as determined by the State or Indian tribe.

18 “(B) REVISION OF LIST OF ENERGY EFFI-
19 CIENCY MEASURES.—Subject to the approval of
20 the State or Indian tribe, as applicable, an eligi-
21 ble entity may update the list required under
22 subparagraph (A)(i) to account for newly avail-
23 able efficiency technologies.

24 “(C) EXISTING ENERGY EFFICIENCY PRO-
25 GRAMS.—An eligible entity that has established

1 an energy efficiency program for qualified con-
2 sumers before the date of enactment of this sec-
3 tion may use an existing list of energy efficiency
4 measures, implementation plan, and measure-
5 ment and verification system for that program
6 to satisfy the applicable requirements under
7 subparagraph (A), if the State or Indian tribe,
8 as applicable, determines that the list, plan, or
9 system, as applicable, is consistent with the
10 purposes of this section.

11 “(5) NO INTEREST.—A loan under this sub-
12 section shall bear no interest.

13 “(6) TERM.—The term of a loan provided to an
14 eligible entity under paragraph (1) shall not exceed
15 20 years after the date on which the loan is issued.

16 “(7) ADVANCE.—

17 “(A) IN GENERAL.—In providing a loan to
18 an eligible entity under paragraph (1), a State
19 or Indian tribe may provide an advance of loan
20 funds on request of the eligible entity.

21 “(B) AMOUNT LIMITATION.—Any advance
22 provided to an eligible entity under subpara-
23 graph (A) in any single year shall not exceed 50
24 percent of the approved loan amount.

1 “(C) REPAYMENT.—The repayment of an
2 advance under subparagraph (A) shall be amor-
3 tized for a period of not more than 10 years.

4 “(8) SPECIAL ADVANCE FOR START-UP ACTIVI-
5 TIES.—

6 “(A) IN GENERAL.—In providing a loan to
7 an eligible entity under paragraph (1), a State
8 or Indian tribe may provide a special advance
9 on request of the eligible entity for assistance in
10 defraying the start-up costs of the eligible enti-
11 ty, as determined by the State or Indian tribe,
12 as applicable, of providing loans to qualified
13 consumers under subsection (f).

14 “(B) LIMITATION.—A special advance
15 shall be provided to an eligible entity under
16 subparagraph (A) only during the 10-year pe-
17 riod beginning on the date on which the loan is
18 issued to that eligible entity.

19 “(C) AMOUNT.—The amount of a special
20 advance provided under subparagraph (A) shall
21 not be greater than 5 percent of the approved
22 loan amount.

23 “(D) REPAYMENT.—Repayment of a spe-
24 cial advance provided under subparagraph
25 (A)—

1 “(i) shall be required during the 10-
2 year period beginning on the date on which
3 the special advance is made; and

4 “(ii) may be deferred to the end of the
5 10-year period described in clause (i) at
6 the election of the eligible entity.

7 “(9) REVOLVING LOAN FUND.—

8 “(A) IN GENERAL.—As a condition of par-
9 ticipating in the program, a State or Indian
10 tribe shall use the funds repaid to the State or
11 Indian tribe under loans offered under this sub-
12 section to issue new loans under this subsection.

13 “(B) ADMINISTRATIVE COSTS.—Not more
14 than 10 percent of the repaid funds described
15 in subparagraph (A) may be used for the ad-
16 ministrative cost of issuing new loans from
17 those repaid funds under this subsection.

18 “(f) LOANS BY ELIGIBLE ENTITIES TO QUALIFIED
19 CONSUMERS.—

20 “(1) USE OF LOAN.—

21 “(A) IN GENERAL.—A loan made by an el-
22 igible entity to a qualified consumer using loan
23 funds provided by a State or Indian tribe under
24 subsection (e)—

1 “(i) shall be used to finance energy ef-
2 ficiency measures for the purpose of de-
3 creasing the energy use or costs of the
4 qualified consumer by an amount that en-
5 sures, to the maximum extent practicable,
6 that the applicable loan term described in
7 subparagraph (B) shall not be an undue fi-
8 nancial burden on the qualified consumer,
9 as determined by the eligible entity;

10 “(ii) shall not be used to fund pur-
11 chases of, or modifications to, personal
12 property unless the personal property is or
13 becomes attached to real property as a fix-
14 ture;

15 “(iii) may be used to upgrade a man-
16 ufactured home, regardless of the classi-
17 fication of the home as real or personal
18 property; and

19 “(iv) may be used to finance the re-
20 placement of a manufactured home—

21 “(I) if the cost of upgrading the
22 manufactured home is excessive, as
23 determined by the eligible entity; and

1 “(II) with priority given to a
2 manufactured home that was con-
3 structed before June 15, 1976.

4 “(B) LOAN TERM DESCRIBED.—The loan
5 term referred to in subparagraph (A)(i) is—

6 “(i) in the case of a manufactured
7 home replacement, not more than 20
8 years; and

9 “(ii) in the case of any other energy
10 efficiency measure, not more than 15
11 years.

12 “(2) REPAYMENT.—

13 “(A) IN GENERAL.—Subject to subpara-
14 graph (B), a loan described in paragraph (1)(A)
15 shall be repaid by the qualified consumer
16 through charges added to an existing or new
17 electric or recurring service bill for the property
18 of the qualified consumer for, or at which, en-
19 ergy efficiency measures are being implemented.

20 “(B) ALTERNATIVE REPAYMENT.—Repay-
21 ment under subparagraph (A) shall not pre-
22 clude—

23 “(i) the voluntary prepayment of the
24 loan by the qualified consumer; or

1 “(ii) the use of any additional repay-
2 ment mechanism, including a tariffed on-
3 bill mechanism, that—

4 “(I) has appropriate risk mitiga-
5 tion features, as determined by the el-
6 igible entity; or

7 “(II) is required due to the quali-
8 fied consumer no longer being a cus-
9 tomer of the eligible entity.

10 “(3) ENERGY ASSESSMENT.—

11 “(A) IN GENERAL.—Prior to the installa-
12 tion of energy efficiency measures at the prop-
13 erty of a qualified consumer that receives a loan
14 from an eligible entity under this section, and
15 to assist in the selection of the energy efficiency
16 measures to be installed, the eligible entity shall
17 conduct an energy assessment or audit to deter-
18 mine the impact of proposed energy efficiency
19 measures on—

20 “(i) the energy costs and consumption
21 of the qualified consumer; and

22 “(ii) the health and safety of the occu-
23 pants of the property on which the energy
24 efficiency measures are to be installed.

1 “(B) FIELD OR ONLINE ASSESSMENT.—An
2 energy assessment or audit under subparagraph
3 (A) may be conducted in the field or online, as
4 determined by the State or Indian tribe that
5 has issued a loan to the eligible entity under
6 subsection (e).

7 “(4) INTEREST.—A loan described in para-
8 graph (1)(A) may bear interest, not to exceed 5 per-
9 cent, which may be used—

10 “(A) to establish a loan loss reserve for the
11 eligible entity;

12 “(B) to offset the personnel and program
13 costs of the eligible entity in providing the loan;
14 and

15 “(C) for any other related purpose, as de-
16 termined by the eligible entity, in consultation
17 with the State or Indian tribe that has issued
18 a loan to the eligible entity under subsection
19 (e).

20 “(5) OUTSIDE CONTRACTS.—An eligible entity
21 may enter into 1 or more contracts with 1 or more
22 qualified entities, as determined by the State or In-
23 dian tribe that has issued a loan to the eligible enti-
24 ty under subsection (e)—

1 “(A) to assist the eligible entity in admin-
2 istering the loans described in paragraph
3 (1)(A); and

4 “(B) to carry out any of the requirements
5 of the eligible entity described in subsection
6 (e)(4)(A).

7 “(g) DIRECT LOANS FROM STATES AND INDIAN
8 TRIBES.—A State or Indian tribe may act as an eligible
9 entity under subsection (f) to provide loans directly to
10 qualified consumers—

11 “(1) in accordance with that subsection; and

12 “(2) if the State or Indian tribe satisfies the re-
13 quirements under subsection (e)(4), as determined
14 by the Secretary.

15 “(h) PROGRAM ADMINISTRATION.—

16 “(1) PLAN.—Not later than 120 days after the
17 date of enactment of this section, the Secretary shall
18 establish and begin carrying out a plan—

19 “(A) to measure and verify the success of
20 the program in implementing energy efficiency
21 measures;

22 “(B) provide training to the employees of
23 eligible entities relating to carrying out the re-
24 quirements of eligible entities under this sec-
25 tion; and

1 “(C) provide technical assistance to States,
2 Indian tribes, and eligible entities relating to
3 carrying out the requirements of this section.

4 “(2) PUBLIC AWARENESS.—Not later than 120
5 days after the date of enactment of this section, the
6 Secretary shall establish and begin carrying out a
7 plan to make eligible entities and the general public
8 aware of the program, including by developing a
9 marketing program to raise awareness of the pro-
10 gram.

11 “(3) OUTSIDE CONTRACTS.—

12 “(A) IN GENERAL.—The Secretary may
13 enter into 1 or more contracts with 1 or more
14 qualified entities, as determined by the Sec-
15 retary, to carry out paragraphs (1) and (2).

16 “(B) USE OF SUBCONTRACTORS AUTHOR-
17 IZED.—A qualified entity that enters into a
18 contract with the Secretary under subparagraph
19 (A) may use 1 or more subcontractors to assist
20 the qualified entity in carrying out the contract.

21 “(4) ACCOUNTING.—The Secretary, and each
22 State and Indian tribe participating in the program,
23 shall take appropriate steps to streamline the ac-
24 counting requirements for eligible entities under the
25 program while maintaining adequate assurances of

1 the repayment of the loans made to those eligible en-
2 tities under the program.

3 “(i) EFFECT ON AUTHORITY.—Nothing in this sec-
4 tion shall impede, impair, or modify the authority of the
5 Secretary to offer loans or grants under any other law.

6 “(j) REPORT.—

7 “(1) IN GENERAL.—Not later than 15 months
8 after the date on which the program is established,
9 and 90 days after the end of each fiscal year for
10 each fiscal year thereafter, the Secretary shall sub-
11 mit to the appropriate committees of Congress and
12 make publicly available a report that describes, with
13 respect to the program—

14 “(A) the number of applications received
15 by each State and Indian tribe from eligible en-
16 tities for that fiscal year;

17 “(B) the number of loans made by each
18 State and Indian tribe for that fiscal year—

19 “(i) to eligible entities; and

20 “(ii) directly to qualified consumers;

21 “(C) the eligible entities that are the re-
22 cipients of the loans described in subparagraph
23 (B)(i); and

1 “(D) the manner in which the program
2 was advertised to eligible entities and the gen-
3 eral public.

4 “(2) CONSULTATION.—The Secretary shall con-
5 sult with and obtain information from States and
6 Indian tribes in preparing the report submitted
7 under paragraph (1).

8 “(k) AUTHORIZATION OF APPROPRIATIONS.—

9 “(1) IN GENERAL.—There is authorized to be
10 appropriated to the Secretary to carry out this sec-
11 tion \$150,000,000 for each of fiscal years 2021
12 through 2026.

13 “(2) SUPPLEMENT NOT SUPPLANT.—The fund-
14 ing provided to a State or Indian tribe under sub-
15 section (d) for each fiscal year shall be used to sup-
16 plement, not supplant, any Federal, State, or other
17 funds otherwise made available to that State or In-
18 dian tribe under—

19 “(A) a State energy conservation plan es-
20 tablished under part D of title III of the En-
21 ergy Policy and Conservation Act (42 U.S.C.
22 6321 et seq.); or

23 “(B) the Weatherization Assistance Pro-
24 gram for Low-Income Persons established
25 under part A of title IV of the Energy Con-

1 servation and Production Act (42 U.S.C. 6861
2 et seq.).”.

3 (b) STATE ENERGY CONSERVATION PLANS.—Section
4 362(d)(5) of the Energy Policy and Conservation Act (42
5 U.S.C. 6322(d)(5)) is amended—

6 (1) in subparagraph (A), by striking “or” at
7 the end;

8 (2) in subparagraph (B), by inserting “or”
9 after the semicolon; and

10 (3) by adding at the end the following:

11 “(C) which may include the community en-
12 ergy savings program under section 362A;”.

13 (c) TECHNICAL AMENDMENT.—The table of contents
14 for the Energy Policy and Conservation Act (Public Law
15 94–163; 89 Stat. 872) is amended by inserting after the
16 item relating to section 362 the following:

“Sec. 362A. Community energy savings program.”.