

111TH CONGRESS
2D SESSION

H. R. 4785

To amend the miscellaneous rural development provisions of the Farm Security and Rural Investment Act of 2002 to authorize the Secretary of Agriculture to make loans to certain entities that will use the funds to make loans to consumers to implement energy efficiency measures involving structural improvements and investments in cost-effective, commercial off-the-shelf technologies to reduce home energy use.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2010

Mr. CLYBURN (for himself, Mr. WHITFIELD, Mr. PERRIELLO, and Mr. SPRATT) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the miscellaneous rural development provisions of the Farm Security and Rural Investment Act of 2002 to authorize the Secretary of Agriculture to make loans to certain entities that will use the funds to make loans to consumers to implement energy efficiency measures involving structural improvements and investments in cost-effective, commercial off-the-shelf technologies to reduce home energy use.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Rural Energy Savings
3 Program Act”.

4 **SEC. 2. RURAL ENERGY SAVINGS PROGRAM.**

5 Title VI of the Farm Security and Rural Investment
6 Act of 2002 (7 U.S.C. 7901 note et seq.) is amended by
7 adding the following new section:

8 **“SEC. 6407. RURAL ENERGY SAVINGS PROGRAM.**

9 “(a) PURPOSE.—The purpose of this section is to cre-
10 ate and save jobs by providing loans to qualified con-
11 sumers that will use the loan proceeds to implement en-
12 ergy efficiency measures to achieve significant reductions
13 in energy costs, energy consumption, or carbon emissions.

14 “(b) DEFINITIONS.—In this section:

15 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
16 tity’ means—

17 “(A) any public power district, public util-
18 ity district, or similar entity, or any electric co-
19 operative described in sections 501(c)(12) or
20 1381(a)(2)(C) of the Internal Revenue Code of
21 1986, that borrowed and repaid, prepaid, or is
22 paying an electric loan made or guaranteed by
23 the Rural Utilities Service (or any predecessor
24 agency); or

1 “(B) any entity primarily owned or con-
2 trolled by an entity or entities described in sub-
3 paragraph (A).

4 “(2) ENERGY EFFICIENCY MEASURES.—The
5 term ‘energy efficiency measures’ means, for or at
6 property served by an eligible entity, structural im-
7 provements and investments in cost-effective, com-
8 mercial off-the-shelf technologies to reduce home en-
9 ergy use.

10 “(3) QUALIFIED CONSUMER.—The term ‘quali-
11 fied consumer’ means a consumer served by an eligi-
12 ble entity that has the ability to repay a loan made
13 under subsection (d), as determined by an eligible
14 entity.

15 “(4) QUALIFIED ENTITY.—The term ‘qualified
16 entity’ means a non-governmental, not-for-profit or-
17 ganization that the Secretary determines has signifi-
18 cant experience, on a national basis, in providing eli-
19 gible entities with—

20 “(A) energy, environmental, energy effi-
21 ciency, and information research and tech-
22 nology;

23 “(B) training, education, and consulting;

1 “(C) guidance in energy and operational
2 issues and rural community and economic de-
3 velopment;

4 “(D) advice in legal and regulatory mat-
5 ters affecting electric service and the environ-
6 ment; and

7 “(E) other relevant assistance.

8 “(5) SECRETARY.—The term ‘Secretary’ means
9 the Secretary of Agriculture, acting through the
10 Rural Utilities Service.

11 “(c) LOANS AND GRANTS TO ELIGIBLE ENTITIES.—

12 “(1) LOANS AUTHORIZED.—Subject to para-
13 graph (2), the Secretary shall make loans to eligible
14 entities that agree to use the loan funds to make
15 loans to qualified consumers as described in sub-
16 section (d) for the purpose of implementing energy
17 efficiency measures.

18 “(2) LIST, PLAN, AND MEASUREMENT AND
19 VERIFICATION REQUIRED.—

20 “(A) IN GENERAL.—As a condition to re-
21 ceiving a loan or grant under this subsection,
22 an eligible entity shall—

23 “(i) establish a list of energy effi-
24 ciency measures that is expected to de-

1 crease energy use or costs of qualified con-
2 sumers;

3 “(ii) prepare an implementation plan
4 for use of the loan funds; and

5 “(iii) provide for appropriate measure-
6 ment and verification to ensure the effec-
7 tiveness of the energy efficiency loans
8 made by the eligible entity and that there
9 is no conflict of interest in the carrying out
10 of this section.

11 “(B) REVISION OF LIST OF ENERGY EFFI-
12 CIENCY MEASURES.—An eligible entity may up-
13 date the list required under subparagraph
14 (A)(i) to account for newly available efficiency
15 technologies, subject to the approval of the Sec-
16 retary.

17 “(C) EXISTING ENERGY EFFICIENCY PRO-
18 GRAMS.—An eligible entity that, on or before
19 the date of the enactment of this section or
20 within 60 days after such date, has already es-
21 tablished an energy efficiency program for
22 qualified consumers may use an existing list of
23 energy efficiency measures, implementation
24 plan, or measurement and verification system of
25 that program to satisfy the requirements of

1 subparagraph (A) if the Secretary determines
2 the list, plans, or systems are consistent with
3 the purposes of this section.

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

6 “(4) REPAYMENT.—A loan under this sub-
7 section shall be repaid not more than 10 years from
8 the date on which an advance on the loan is first
9 made to the eligible entity.

10 “(5) LOAN FUND ADVANCES.—The Secretary
11 shall provide eligible entities with a schedule of not
12 more than ten years for advances of loan funds, ex-
13 cept that any advance of loan funds to an eligible
14 entity in any single year shall not exceed 50 percent
15 of the approved loan amount.

16 “(6) JUMP-START GRANTS.—The Secretary
17 shall make grants available to eligible entities se-
18 lected to receive a loan under this subsection in
19 order to assist an eligible entity to defray costs, in-
20 cluding costs of contractors for equipment and labor,
21 except that no eligible entity may receive a grant
22 amount that is greater than four percent of the loan
23 amount.

24 “(d) LOANS TO QUALIFIED CONSUMERS.—

1 “(1) TERMS OF LOANS.—Loans made by an eli-
2 gible entity to qualified consumers using loan funds
3 provided by the Secretary under subsection (c)—

4 “(A) may bear interest, not to exceed three
5 percent, to be used for purposes that include es-
6 tablishing a loan loss reserve and to offset per-
7 sonnel and program costs of eligible entities to
8 provide the loans;

9 “(B) shall finance energy efficiency meas-
10 ures for the purpose of decreasing energy usage
11 or costs of the qualified consumer by an
12 amount such that a loan term of not more than
13 ten years will not pose an undue financial bur-
14 den on the qualified consumer, as determined
15 by the eligible entity;

16 “(C) shall not be used to fund energy effi-
17 ciency measures made to personal property un-
18 less the personal property—

19 “(i) is or becomes attached to real
20 property as a fixture; or

21 “(ii) is a manufactured home;

22 “(D) shall be repaid through charges
23 added to the electric bill of the qualified con-
24 sumer; and

1 “(E) shall require an energy audit by an
2 eligible entity to determine the impact of pro-
3 posed energy efficiency measures on the energy
4 costs and consumption of the qualified con-
5 sumer.

6 “(2) CONTRACTORS.—In addition to any other
7 qualified general contractor, eligible entities may
8 serve as general contractors.

9 “(e) CONTRACT FOR MEASUREMENT AND
10 VERIFICATION, TRAINING, AND TECHNICAL ASSIST-
11 ANCE.—

12 “(1) CONTRACT REQUIRED.—Not later than 60
13 days after the date of enactment of this section, the
14 Secretary shall enter into one or more contracts with
15 a qualified entity for the purposes of—

16 “(A) providing measurement and
17 verification activities, including—

18 “(i) developing and completing a rec-
19 ommended protocol for measurement and
20 verification for the Rural Utilities Service;

21 “(ii) establishing a national measure-
22 ment and verification committee consisting
23 of representatives of eligible entities to as-
24 sist the contractor in carrying out this sec-
25 tion;

1 “(iii) providing measurement and
2 verification consulting services to eligible
3 entities that receive loans under this sec-
4 tion; and

5 “(iv) providing training in measure-
6 ment and verification; and

7 “(B) developing a program to provide tech-
8 nical assistance and training to the employees
9 of eligible entities to carry out this section.

10 “(2) USE OF SUBCONTRACTORS AUTHOR-
11 IZED.—A qualified entity that enters into a contract
12 under paragraph (1) may use subcontractors to as-
13 sist the qualified entity in performing the contract.

14 “(f) FAST START DEMONSTRATION PROJECTS.—

15 “(1) DEMONSTRATION PROJECTS REQUIRED.—
16 The Secretary shall enter into agreements with eligi-
17 ble entities (or groups of eligible entities) that have
18 energy efficiency programs described in subsection
19 (c)(2)(C) to establish an energy efficiency loan dem-
20 onstration projects consistent with the purposes of
21 this section that—

22 “(A) implement approaches to energy au-
23 dits and investments in energy efficiency meas-
24 ures that yield measurable and predictable sav-
25 ings;

1 “(B) use measurement and verification
2 processes to determine the effectiveness of en-
3 ergy efficiency loans made by eligible entities;

4 “(C) include training for employees of eli-
5 gible entities, including any contractors of such
6 entities, to implement or oversee the activities
7 described in subparagraphs (A) and (B);

8 “(D) provide for the participation of a ma-
9 jority of eligible entities in a State;

10 “(E) reduce the need for generating capac-
11 ity;

12 “(F) provide efficiency loans to—

13 “(i) not fewer than 20,000 consumers,
14 in the case of a single eligible entity; or

15 “(ii) not fewer than 80,000 con-
16 sumers, in the case of a group of eligible
17 entities; and

18 “(G) serve areas where a large percentage
19 of consumers reside—

20 “(i) in manufactured homes; or

21 “(ii) in housing units that are more
22 than 50 years old.

23 “(2) DEADLINE FOR IMPLEMENTATION.—The
24 agreements required by paragraph (1) shall be en-

1 tered into not later than 90 days after the date of
2 enactment of this section.

3 “(3) EFFECT ON AVAILABILITY OF LOANS NA-
4 TIONALLY.—Nothing in this subsection shall delay
5 the availability of loans to eligible entities on a na-
6 tional basis beginning not later than 180 days after
7 the date of enactment of this section.

8 “(4) ADDITIONAL DEMONSTRATION PROJECT
9 AUTHORITY.—The Secretary may conduct dem-
10 onstration projects in addition to the project re-
11 quired by paragraph (1). The additional demonstra-
12 tion projects may be carried out without regard to
13 subparagraphs (D), (F), or (G) of paragraph (1).

14 “(g) ADDITIONAL AUTHORITY.—The authority pro-
15 vided in this section is in addition to any authority of the
16 Secretary to offer loans or grants under any other law.

17 “(h) AUTHORIZATION OF APPROPRIATIONS.—

18 “(1) IN GENERAL.—There is authorized to be
19 appropriated to the Secretary in fiscal year 2010
20 \$993,000,000 to carry out this section. Notwith-
21 standing paragraph (2), amounts appropriated pur-
22 suant to this authorization of appropriations shall
23 remain available until expended.

24 “(2) AMOUNTS FOR LOANS, GRANTS, STAFF-
25 ING.—Of the amounts appropriated pursuant to the

1 authorization of appropriations in paragraph (1), the
2 Secretary shall make available—

3 “(A) \$755,000,000 for the purpose of cov-
4 ering the cost of direct loans to eligible entities
5 under subsection (c) to subsidize gross obliga-
6 tions in the principal amount of not to exceed
7 \$4,900,000,000;

8 “(B) \$25,000,000 for measurement and
9 verification activities under subsection
10 (e)(1)(A);

11 “(C) \$2,000,000 for the contract for train-
12 ing and technical assistance authorized by sub-
13 section (e)(1)(B);

14 “(D) \$200,000,000 for jump-start grants
15 authorized by subsection (c)(6); and

16 “(E) \$1,100,000 for each of fiscal years
17 2010 through 2019 for ten additional employ-
18 ees of the Rural Utilities Service to carry out
19 this section.

20 “(i) EFFECTIVE PERIOD.—Subject to subsection
21 (h)(1) and except as otherwise provided in this section,
22 the loans, grants, and other expenditures required to be
23 made under this section are authorized to be made during
24 each of fiscal years 2010 through 2014.

25 “(j) REGULATIONS.—

1 “(1) IN GENERAL.—Except as otherwise pro-
2 vided in this subsection, not later than 180 days
3 after the date of enactment of this section, the Sec-
4 retary shall promulgate such regulations as are nec-
5 essary to implement this section.

6 “(2) PROCEDURE.—The promulgation of the
7 regulations and administration of this section shall
8 be made without regard to—

9 “(A) chapter 35 of title 44, United States
10 Code (commonly known as the ‘Paperwork Re-
11 duction Act’); and

12 “(B) the Statement of Policy of the Sec-
13 retary of Agriculture effective July 24, 1971
14 (36 Fed. Reg. 13804), relating to notices of
15 proposed rulemaking and public participation in
16 rulemaking.

17 “(3) CONGRESSIONAL REVIEW OF AGENCY
18 RULEMAKING.—In carrying out this section, the Sec-
19 retary shall use the authority provided under section
20 808 of title 5, United States Code.

21 “(4) INTERIM REGULATIONS.—Notwithstanding
22 paragraphs (1) and (2), to the extent regulations are
23 necessary to carry out any provision of this section,

1 the Secretary shall implement such regulations
2 through the promulgation of an interim rule.”.

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