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ENERGY EFFICIENCY MATERIALS PILOT PROGRAM ACT

AUGUST 16, 2019.—Ordered to be printed

Filed, under authority of the order of the Senate of August 1, 2019

Ms. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 520]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 520) to require the Secretary of Energy to establish an energy efficiency materials pilot program, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

On page 4, strike line 19 and insert the following:

(d) REPORT.—No later than January 1, 2023, the Secretary shall submit to Congress a report on the pilot program established under subsection (b) that describes—

(1) the net reduction in energy use and energy costs under the pilot program; and

(2) for each recipient of a grant under the pilot program—

(A) the geographic location of the recipient; and

(B) the size of the organization of the recipient.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is

PURPOSE

The purpose of S. 520 is to require the Secretary of Energy (Secretary) to establish an energy efficiency materials pilot program.

89–010

BACKGROUND AND NEED

Nonresidential buildings in the U.S. consume more than $200 billion per year in energy. Among nonprofit organizations in the U.S., there are hundreds of thousands of museums, faith-based organization buildings, youth centers, and other buildings that collectively spend in excess of $3 billion annually for energy. The Environmental Protection Agency estimates that some nonprofit organizations could reduce their energy costs by one-third through energy efficiency improvements.

However, many energy efficiency incentive programs are based on tax credits and rebates that nonprofits cannot use. Moreover, nonprofit entities are often not able to afford the upfront investment needed for efficiency retrofits.

S. 520 seeks to facilitate increased investment in energy efficiency in the nonprofit sector by creating a grant program to provide matching funds for any nonprofit that retrofits its building with energy efficiency improvements, including renewable energy generation, improved lighting, heating and air conditioning systems, and insulation. Nonprofit-owned buildings include buildings operated and owned by a nonprofit organization, including hospitals, youth centers, schools, social-welfare program facilities, faith-based organization buildings, and any other nonresidential and noncommercial structures. The criteria for awarding grants will be based on the energy savings expected to be achieved, the improvement's cost-effectiveness, an effective plan for evaluating and verifying the savings, financial need, and the matching contribution percentage.

LEGISLATIVE HISTORY

S. 520 was introduced by Senators Klobuchar and Hoeven on February 14, 2019. Senators Ernst and Stabenow were added as cosponsors on May 1, 2019.

Similar legislation, H.R. 3120, was introduced in the House of Representatives by Representative Cartwright on June 5, 2019, and referred to the Energy and Commerce Committee.

In the 115th Congress, S. 981 was introduced by Senators Klobuchar and Hoeven on April 27, 2017. Senators Ernst, Stabenow, and Casey were added as cosponsors. The measure was included in S. 1460, the Energy and Natural Resources Act of 2017 (Cal. 162).

Companion legislation, H.R. 2197, was introduced in the House of Representatives by Representative Cartwright on April 27, 2017, and referred to the Energy and Commerce Committee.

In the 114th Congress, S. 600 was introduced by Senators Klobuchar, Hoeven, Stabenow, Risch, Blunt, and Schatz on February 26, 2015. Senators Udall and Whitehouse were added as cosponsors. The Committee on Energy and Natural Resources held a hearing on S. 600 on April 30, 2015 (S. Hrg. 114–166). The measure was included in Amendment No. 2953, which the Senate agreed to on April 19, 2016, as an amendment to S. 2012, the Energy Policy Modernization Act of 2016, which the Senate passed, as amended, on April 20, 2016.

Companion legislation, H.R. 2132, was introduced in the House of Representatives by Representative Cartwright on April 30, 2015, and referred to the Energy and Commerce Committee.

In the 113th Congress, similar legislation, S. 717, was introduced by Senators Klobuchar and Hoeven on April 11, 2013. Senators Blunt, Pryor, Risch, Schatz, and Stabenow were added as cosponsors. The Subcommittee on Energy held a hearing on S. 717 on June 25, 2013 (S. Hrg. 113–70).

The Senate Committee on Energy and Natural Resources met in open business session on July 16, 2019, and ordered S. 520 favorably reported, as amended.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on July 16, 2019, by a majority voice vote of a quorum present, recommends that the Senate pass S. 520, if amended as described herein. Senator Lee asked to be recorded as voting no.

COMMITTEE AMENDMENT

During its consideration of S. 520, the Committee adopted an amendment that was offered by Senator Lee. The amendment adds a new subsection (d) to require the Secretary to submit a report to Congress by January 1, 2023, that describes the net reduction in energy use and energy costs of the pilot program, and specifies the geographic location and size of the organization of each recipient of a grant. The amendment also redesignates subsection (d) and subsection (e) accordingly.

SECTION-BY-SECTION ANALYSIS

Section. 1. Energy efficiency materials pilot program

Subsection (a) defines relevant terms.

Subsection (b) requires the Secretary to establish a pilot program within one year of the date of enactment to award grants for the purpose of providing nonprofit buildings with energy-efficiency materials.

Subsection (c) authorizes the Secretary to award grants under the pilot program.

Subsection (d) requires the Secretary to submit a report on the pilot program to Congress not later than January 1, 2023. The report is to describe the energy reductions achieved by the new pilot program, as well as the location and size of the organizations receiving grants.

Subsection (e) authorizes $10 million to be appropriated to carry out this legislation for each of fiscal years 2019 through 2023, to remain available until expended.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office:

S. 520, a bill to require the Secretary of Energy to establish an energy efficiency materials pilot program

As ordered reported by the Senate Committee on Energy and Natural Resources on July 16, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	32	40

Statutory pay-as-you-go procedures apply?	No	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

S. 520 would authorize the appropriation of $10 million annually over the 2019–2023 period for the Department of Energy (DOE) to establish a pilot program to improve the energy efficiency of buildings owned and operated by nonprofit organizations. Under the bill, DOE would award grants to those organizations to pay for building modifications that reduce energy or fuel use.

Assuming appropriation of the authorized amounts and based on historical spending patterns for similar activities, CBO estimates that implementing S. 520 would cost $32 million over the 2019–2024 period.

The costs of the legislation (detailed in Table 1) fall within budget function 270 (energy).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER S. 520

	By fiscal year, millions of dollars—						
	2019 [a]	2020	2021	2022	2023	2024	2019–2024
Authorization	10	10	10	10	10	0	50
Estimated Outlays	0	2	5	8	9	8	32

[a] S. 520 would authorize the appropriation of $10 million in 2019. CBO does not estimate any outlays for that authorization because appropriations for 2019 have already been provided.

The CBO staff contact for this estimate is Sofia Guo. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 520. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 520, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 520, as ordered reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

EXECUTIVE COMMUNICATIONS

The Committee did not request executive views on S. 520.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill as ordered reported.

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