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### WEATHERIZATION ENHANCEMENT AND LOCAL ENERGY EFFICIENT INVESTMENT AND ACCOUNTABILITY ACT OF 2019

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SEPTEMBER 10, 2019.—Ordered to be printed

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

### R E P O R T

[To accompany S. 983]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 983) to amend the Energy Conservation and Production Act to reauthorize the weatherization assistance program, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### PURPOSE

The purpose of S. 983 is to amend the Energy Conservation and Production Act (ECPA, Public Law 94-385) to reauthorize the weatherization assistance program.

#### BACKGROUND AND NEED

For more than 40 years, the Department of Energy's (DOE) Weatherization Assistance Program (WAP) has supported the Federal Government's energy efficiency efforts by assisting low-income families that lack the resources to make their homes more energy efficient. The program funds weatherization projects in all 50 states, the District of Columbia, the five U.S. territories, and for tribal governments. WAP provides energy efficiency upgrades to 35,000 homes across the country annually while supporting 8,500 jobs.

The goal of the program is to reduce energy costs for low-income families—particularly for the elderly, people with disabilities, and children—by improving the energy efficiency of their homes and enhancing their health and safety. An independent review by Oak Ridge National Laboratory found that for every dollar invested in the program, \$4.50 is generated in combined energy savings and non-energy benefits such as local economic growth.

With a network of nearly 800 local agencies providing services across the country, WAP employs more residential energy efficiency professionals than any other organization in the nation. Typical weatherization measures have included attic insulation, dense pack sidewall insulation, air sealing, heating system repairs and, when necessary, replacements, duct sealing and insulation, and baseload measures.

The program has pioneered residential energy efficiency technologies and serves as a foundation for residential energy efficiency programs across the country. WAP is also a central leader in the development of the home performance industry-wide Guidelines for Home Energy Professionals—a suite of resources including work quality specifications, training program accreditation, job task analyses, and worker certifications.

While the WAP has consistently been funded by Congress without interruption, the program's last authorization was contained in the 2007 Energy Independence and Security Act (Public Law 110-140). That authorization expired in 2012.

#### LEGISLATIVE HISTORY

S. 983 was introduced by Senators Coons, Collins, Reed, and Shaheen on April 2, 2019. Senators Blumenthal, Heinrich, Manchin, and Murkowski were added as cosponsors. The Subcommittee on Energy held a hearing on the measure on July 9, 2019.

Companion legislation, H.R. 2041, was introduced in the House of Representatives by Representatives Tonko, Kaptur, and Rush on April 2, 2019, and referred to the Energy and Commerce Committee.

In the 115th Congress, similar legislation was included as a provision in S. 1460, the Energy and Natural Resources Act of 2017 (Cal. 162).

In the 114th Congress, a similar bill, S. 703, was introduced by Senators Coons, Collins, Reed, and Shaheen on March 11, 2015 (S. Hrg. 114-166). The Committee on Energy and Natural Resources held a hearing on S. 703 on April 30, 2015. The measure was included as a provision in S. 2012, the Energy Policy Modernization Act of 2016, which the Senate passed, as amended, on April 20, 2016.

Companion legislation, H.R. 3420, was introduced in the House of Representatives by Representatives Tonko, Carson, Castor, Connolly, Lowenthal, Nadler, Norton, Pierluisi, Rush, Slaughter, and Welch on July 29, 2015, and referred to the Energy and Commerce Committee.

In the 113th Congress, a similar bill, S. 1213, was introduced by Senators Coons, Collins, and Reed on June 20, 2013. The Committee on Energy and Natural Resources held a hearing on S. 1213 on June 25, 2013 (S. Hrg. 113-70).

Similar legislation, H.R. 4345, was introduced in the House of Representatives by Representative Tonko on March 27, 2014, and referred to the Energy and Commerce Committee.

The Senate Committee on Energy and Natural Resources met in open business session on July 16, 2019, and ordered S. 983 favorably reported.

#### 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. 983. Senator Lee asked to be recorded as voting no.

#### SECTION-BY-SECTION ANALYSIS

##### *Section. 1. Short title*

Section 1 provides a short title for the bill.

##### *Sec. 2. Weatherization assistance program*

Subsection (a) amends section 412(9)(J) of ECPA to clarify that renewable energy technologies are included in the definition of weatherization materials and to remove the now defunct Community Services Administration from the list of agencies DOE must consult with.

Subsection (b) amends section 413(b) of ECPA to authorize DOE to take non-energy benefits such as health and safety improvements into account when determining appropriate standards and procedures for WAP.

Subsection (c) amends section 414B(a)(4) of ECPA to make technical training grants available to private contractors that provide weatherization assistance as well as to persons involved in weatherizing low-income housing. It further amends ECPA by adding a new section 414C to authorize DOE to request that grantees review the use of private contractors and encourage increased and expanded use of contractors if appropriate.

Subsection (d) amends ECPA by adding a new section 414D to create a financial assistance program within WAP for enhancement and innovation.

The new section 414D(a) outlines the financial assistance program's purposes.

The new section 414D(b) defines the term "eligible entity."

The new section 414D(c) directs the Secretary of Energy (Secretary) to award financial assistance through a competitive process. It further outlines the purposes of the DOE-issued awards, including making dwelling units weatherization-ready; installing energy efficiency technologies and renewable energy systems; implementing healthy indoor measures such as improving indoor air quality and accessibility; improving the capacity of an eligible entity to increase energy retrofits, replicate best practices, and leverage additional funds for weatherization assistance; providing innovative outreach and education about weatherization assistance; controlling quality; collecting, measuring, and verifying data; providing labor and training; planning; and other appropriate activities.

The new section 414D(d) requires eligible entities to submit applications in accordance with requirements established by the Secretary.

The new section 414D(e) outlines the factors the Secretary must consider in making financial assistance awards, including the record of the eligible entity in providing relevant services (home construction, repair, renovation, weatherization, and energy efficiency upgrades) and in managing federal funds; the strength of the proposal to achieve the program's purposes; the proposed use of partnerships; regional and climate zone diversity; and urban, suburban and rural localities.

The new section 414(D)(f) directs the Secretary to make the first financial assistance award within 270 days of enactment.

The new section 414D(g) limits the maximum award under this section to \$2 million and specifies that not more than 15 percent can be used for planning, management, or administration. It further reduces the value of an award by the cost of any technical assistance DOE provides and restricts the term of a financial award to not more than three years.

The new section 414(D)(h) requires DOE to issue implementation guidance within 90 days of enactment, including standards relating to allowable expenditures, training programs, energy audits, monitoring and verification, liability insurance, and recordkeeping and reporting.

The new section 414D(i) clarifies that this section shall not supersede or modify any state or local law with more stringent requirements.

The new section 414D(j) directs the Secretary to review and evaluate the performance of each eligible entity that receive awards under this section.

The new section 414D(k) requires the Secretary to submit an annual report to Congress describing awards made under this section, activities of eligible entities funded by those awards, and energy and cost savings achieved.

The new section 414D(l) states that the amount of funding available to carry out this section shall be a percentage of the overall funding made available for WAP, but in no case shall exceed \$25 million per year.

Subsection (e) amends section 415(a)(1) of ECPA by increasing the amount of a WAP grant that can be used for administrative purposes from 10 percent to 15 percent.

Subsection (f) amends section 415(c) of ECPA by changing the current limitation on reweatherization such that any dwelling unit becomes eligible again for weatherization assistance 15 years after the previous weatherization was completed. Additionally, it clarifies that certain services, such as energy management education, evaluation of completed weatherization measures, or services and equipment provided by non-Federal funds, do not count as "weatherization" for the purposes of the 15-year restriction.

Subsection (g) amends section 422 of ECPA by reauthorizing the WAP at \$350 million for each of fiscal years 2020 through 2024.

### *Sec. 3. Waiver study*

Section 3 encourages DOE to work with the Office of Management and Budget to waive regulatory requirements relating to

equipment acquired with Federal funds but owned by non-Federal entities under 2 C.F.R. 200.313 to ensure that private sector funds are being fully leveraged when using WAP funding. It also requires DOE to submit a report to relevant Congressional committees within 180 days of enactment describing any waivers requested under this section and whether they were granted.

#### COST AND BUDGETARY CONSIDERATIONS

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

<b>S. 983, Weatherization Enhancement and Local Energy Efficiency Investment and Accountability Act of 2019</b>			
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	1,163	1,750
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
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. 983 would modify the standards and procedures governing the Department of Energy's (DOE's) weatherization assistance and training programs and authorize the appropriation of \$350 million for those activities for each of the fiscal years 2020 through 2024. Under the bill, a portion of that funding would be allocated for measures that would improve the energy efficiency of housing units occupied by low-income people, subject to certain conditions. Other provisions would expand eligibility for training programs, allow installations of renewable energy sources, and modify other administrative procedures.

The estimated budgetary effects of S. 983 are shown in Table 1. For this estimate, CBO assumes that the bill will be enacted before the end of 2019, that appropriations will be provided as authorized, and that spending will follow historical patterns for DOE's weatherization and training programs. The Congress provided \$257 million for those programs for fiscal year 2019.

Table 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER S. 983

	By fiscal year, millions of dollars—						
	2019	2020	2021	2022	2023	2024	2019–2024
Authorization .....	0	350	350	350	350	350	1,750
Estimated Outlays .....	0	70	175	263	315	340	1,163

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was reviewed by Theresa Gullo, 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. 983. 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. 983, as ordered reported.

#### CONGRESSIONALLY DIRECTED SPENDING

S. 983, 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 testimony provided by the Department of Energy at the July 9, 2019, hearing on S. 983 follows:

TESTIMONY OF THE HONORABLE BRUCE J. WALKER, ASSISTANT SECRETARY, OFFICE OF ELECTRICITY, U.S. DEPARTMENT OF ENERGY

#### INTRODUCTION

Chairman Cassidy, Ranking Member Heinrich, and Members of the Subcommittee, it is an honor and a privilege to serve at the Department of Energy (DOE or the Department), as Assistant Secretary for the Office of Electricity. DOE is charged with, among other important responsibilities, providing our Nation with premier energy research and development (R&D) activities. The work being conducted by DOE is setting the course for various advancements in the energy field and beyond. Issues like energy storage, improving energy efficiency, creating breakthroughs in how we extract and utilize our Nation's fossil fuels, and Artificial Intelligence are just some of the important areas of DOE research. These are also the topics being covered at today's hearing.

Thank you for the opportunity to testify today on behalf of the Department regarding these various pieces of legislation. The Administration continues to review all eleven of these bills. Below are some highlights and perspectives regarding the legislation being discussed today.

*S. 983—Weatherization Enhancement and Local Energy Efficiency Investment and Accountability Act of 2019*

The Weatherization Enhancement and Local Energy Efficiency Investment and Accountability Act of 2019 up-

dates and reauthorizes the DOE Weatherization Assistance Program (WAP) through 2024. The President's Budget requests no funding for the WAP. DOE recognizes that the Department of Health and Human Services and state entities allow for the transfer of LIHEAP funds to the state weatherization agency or may provide separate funding to the state weatherization agency. DOE also understands Congressional interests in the program, and continues to manage them consistent with statute.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by S. 983, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

### ENERGY CONSERVATION AND PRODUCTION ACT

Public Law 94–385, as amended

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#### TITLE IV—ENERGY CONSERVATION AND RENEWABLE RESOURCE ASSISTANCE FOR EXISTING BUILDING

Sec. 401. Short title.  
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##### Part A—Weatherization Assistance for Low-Income Persons

Sec. 411. Findings and purpose.  
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Sec. 414A. Private sector investments.  
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*Sec. 414C. Contractor optimization.*  
*Sec. 414D. Financial assistance for WAP enhancement and innovation.*  
Sec. 415. Limitations.  
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##### Part B—State Energy Conservation Plans

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##### Part C—National Energy Conservation and Renewable Resource Demonstration Program for Existing Dwelling Units

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##### Part D—Energy Conservation and Renewable Resource Obligation Guarantees

Sec. 451. Program.

## Part E—Miscellaneous Provisions

Sec. 461. Exchange of information.  
 Sec. 462. Report by the Comptroller General.

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**TITLE IV—ENERGY CONSERVATION AND RENEWABLE  
 RESOURCE ASSISTANCE FOR EXISTING BUILDINGS**

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**Part A—Weatherization Assistance for Low Income Persons**

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**Definitions**

**SEC. 412. As used in this part:**

- (1) The term “Secretary” means the Secretary of Energy.
- (2) The term “Director” means the Director of the Community Services Administration.
- (3) The term “elderly” means any individual who is 60 years of age or older.
- (4) The term “Governor” means the chief executive officer of a State (including the Mayor of the District of Columbia).
- (5) The term “handicapped person” means any individual (A) who is an individual with a disability, as defined in section 705 of title 29, (B) who is under a disability as defined in section 1614(a)(3)(A) or 233(d)(1) of the Social Security Act or in section 102(7) of the Developmental Disabilities Services and Facilities Construction Act, or (C) who is receiving benefits under chapter 11 or 15 of title 38.
- (6) The terms “Indian”, “Indian tribe”, and “tribal organization” have the meanings prescribed for such terms by section 3002 of this title.
- (7) The term “low-income” means that income in relation to family size which (A) is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, except that the Secretary may establish a higher level if the Secretary, after consulting with the Secretary of Agriculture and the Director of the Community Services Administration, determines that such a higher level is necessary to carry out the purposes of this part and is consistent with the eligibility criteria established for the weatherization program under section 2809(a)(12) of this title, (B) is the basis on which cash assistance payments have been paid during the preceding 12-month period under titles IV and XVI of the Social Security Act or applicable State or local law, or (C) if a State elects, is the basis for eligibility for assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621), provided that such basis is at least 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.
- (8) State.—The term “State” means—
  - (A) a State;
  - (B) the District of Columbia;



- (C) the Commonwealth of Puerto Rico; and (D) any other territory or possession of the United States.
- (9) The term “weatherization materials” means—
- (A) caulking and weatherstripping of doors and windows;
  - (B) furnace efficiency modifications, including, but not limited to—
    - (i) replacement burners, furnaces, or boilers or any combination thereof;
    - (ii) devices for minimizing energy loss through heating system, chimney, or venting devices; and (iii) electrical or mechanical furnace ignition systems which replace standing gas pilot lights;
  - (C) clock thermostats;
  - (D) ceiling, attic, wall, floor, and duct insulation;
  - (E) water heater insulation;
  - (F) storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective window and door materials;
  - (G) cooling efficiency modifications, including, but not limited to, replacement air-conditioners, ventilation equipment, screening, window films, and shading devices;
  - (H) solar thermal water heaters;
  - (I) wood-heating appliances; and
  - (J) such other insulating or energy conserving devices or technologies, *including renewable energy technologies and other advanced technologies*, as the Secretary may determine, after consulting with the Secretary of Housing and Urban [Development, the Secretary of Agriculture, and the Director, of the Community Services Administration.] *Development and the Secretary of Agriculture.*

#### Weatherization Program

SEC. 413. (a) The Secretary shall develop and conduct, in accordance with the purpose and provisions of this part, a weatherization program. In developing and conducting such program, the Secretary may, in accordance with this part and regulations promulgated under this part, make grants (1) to States, and (2) in accordance with the provisions of subsection (d) of this section, to Indian tribal organizations to serve Native Americans. Such grants shall be made for the purpose of providing financial assistance with regard to projects designed to provide for the weatherization of dwelling units, particularly those where elderly or handicapped low-income persons reside, occupied by low-income families.

(b)(1) The Secretary, after consultation with the Director, the Secretary of Housing and Urban Development, the Secretary of Health and Human Services, the Secretary of Labor, and the heads of such other Federal departments and agencies as the Secretary deems appropriate, shall develop and publish in the Federal Register for public comment, not later than 60 days after August 14, 1976, proposed regulations to carry out the provisions of this part. The Secretary shall take into consideration comments submitted regarding such proposed regulations and shall promulgate and publish final regulations for such purpose not later than 90 days after August 14, 1976. The development of regulations under this part shall be fully coordinated with the Director.

(2) The regulations promulgated pursuant to this section shall include provisions—

(A) prescribing, in coordination with the Secretary of Housing and Urban Development, the Secretary of Health and Human Services, and the Director of the National Institute of Standards and Technology in the Department of Commerce, for use in various climatic, structural, and human need settings, standards for weatherization materials, energy conservation techniques, and balance combinations thereof, which are designed to achieve a balance of a healthful dwelling environment and maximum practicable energy conservation;

(B) that provide guidance to the States in the implementation of this part, including guidance designed to ensure that a State establishes (i) procedures that provide protection under ~~paragraph (5)~~ *paragraph (6)* to tenants paying for energy as a portion of their rent, and (ii) a process for monitoring compliance with its obligations pursuant to this part; and

(C) that secure the Federal investment made under this part and address the issues of eviction from and sale of property receiving weatherization materials under this part.

(3) The Secretary, in coordination with the Secretaries and Director described in paragraph (2)(A) and with the Director of the Community Services Administration and the Secretary of Agriculture, shall develop and publish in the Federal Register for public comment, not later than 60 days after November 9, 1978, proposed amendments to the regulations prescribed under paragraph (1). Such amendments shall provide that the standards described in paragraph (2)(A) shall include a set of procedures to be applied to each dwelling unit to determine the optimum set of cost-effective measures, within the cost guidelines set for the program, to be installed in such dwelling unit. Such standards shall, in order to achieve such optimum savings of energy, take into consideration the following factors—

(A) the cost of the weatherization material;

(B) variation in climate; and

(C) the value of energy saved by the application of the weatherization material.

Such standards shall be utilized by the Secretary in carrying out this part, the Secretary of Agriculture in carrying out the weatherization program under section 1474(c) of this title, and the Director of the Community Services Administration in carrying out weatherization programs under section 222(a)(12) of the Economic Opportunity Act of 1964 . The Secretary shall take into consideration comments submitted regarding such proposed amendment and shall promulgate and publish final amended regulations not later than 120 days after November 9, 1978.

(4) In carrying out paragraphs (2)(A) and (3), the Secretary shall establish the standards and procedures described in such paragraphs so that weatherization efforts being carried out under this part and under programs described in the fourth sentence of paragraph (3) will accomplish uniform results among the States in any area with a similar climatic condition.

(5) *In carrying out paragraph (3), the Secretary may take into consideration evidence-based values for improvements in the health and safety of occupants of weatherized homes, and other non-energy benefits, as determined by the Secretary.*

[(5)] (6) In any case in which a dwelling consists of a rental unit or rental units, the State, in the implementation of this part, shall ensure that—

(A) the benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;

(B) for a reasonable period of time after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed;

(C) the enforcement of subparagraph (B) is provided through procedures established by the State by which tenants may file complaints and owners, in response to such complaints, shall demonstrate that the rent increase concerned is related to matters other than the weatherization work performed; and

(D) no undue or excessive enhancement will occur to the value of such dwelling units.

[(6)] (7) As a condition of having assistance provided under this part with respect to multifamily buildings, a State may require financial participation from the owners of such buildings.

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**SECTION 414B. TECHNICAL TRANSFER GRANTS.**

(a) IN GENERAL.—The Secretary may, to the extent funds are made available, provide financial assistance to entities receiving funding from the Federal Government or from a State through a weatherization assistance program under section 413 or section 414 for—

(1) evaluating technical and management measures which increase program and/or private entity performance in weatherizing low-income housing;

(2) producing technical information for use by persons involved in weatherizing low-income housing;

(3) exchanging information; and

(4) conducting training programs [for persons] for—

(A) persons involved in weatherizing low-income housing[.]; and

(B) private entities that are contracted to provide weatherization assistance under this part, in accordance with rules determined by the Secretary.

(b) CONDITIONS.—(1) Not less than 50 percent of amounts provided under this section shall be awarded to entities other than States.

(2) A recipient of financial assistance under this section may contract with nonprofit entities to carry out all or part of the activities for which such financial assistance is provided.

**SEC. 414C. CONTRACTOR OPTIMIZATION.**

*The Secretary may request that entities receiving funding from the Federal Government or from a State through a weatherization assistance program under section 413 or 414—*

- (1) perform periodic reviews of the use of private contractors in the provision of weatherization assistance, if applicable; and*
- (2) encourage an increased use and expanded role of contractors as appropriate.*

**SEC. 414D. FINANCIAL ASSISTANCE FOR WAP ENHANCEMENT AND INNOVATION.**

*(a) PURPOSES.—The purposes of this section are—*

- (1) to expand the number of dwelling units that are occupied by low-income persons that receive weatherization assistance under this section by making those dwelling units weatherization-ready;*
- (2) to promote the deployment of renewable energy in dwelling units that are occupied by low-income persons;*
- (3) to ensure healthy indoor environments by enhancing or expanding health and safety measures and resources available to dwellings that are occupied by low-income persons; and*
- (4) to disseminate new methods and best practices among eligible entities providing weatherization assistance under this section.*

*(b) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means—*

- (1) an entity receiving funding from the Federal Government or from a State through a weatherization assistance program under section 413 or 414; and*
- (2) a nonprofit organization.*

*(c) FINANCIAL ASSISTANCE AWARDS.—The Secretary shall, to the extent funds are made available, award financial assistance through a competitive process to an eligible entity—*

- (1) with respect to dwelling units that are occupied by low-income persons—*
  - (A) to implement measures to make those dwelling units weatherization-ready, including by addressing structural, plumbing, roofing, and electrical issues, environmental hazards, and other issues that the Secretary determines to be appropriate;*
  - (B) to install energy efficiency technologies, including home energy management systems, smart devices, and other technologies the Secretary determines to be appropriate;*
  - (C) to install renewable energy systems (as defined in section 415(c)(6)(A)); and*
  - (D) to implement measures to ensure healthy indoor environments by improving indoor air quality, accessibility, and other healthy home measures, as determined by the Secretary;*
- (2) to improve the capability of the eligible entity—*
  - (A) to significantly increase the number of energy retrofits performed by the eligible entity;*
  - (B) to replicate best practices for work performed under this section on a larger scale; and*

(C) to leverage additional funds to sustain the provision of weatherization assistance and other work performed under this section after the financial assistance awarded under this section is expended;

(3) for innovative outreach and education regarding the benefits and availability of weatherization assistance and other assistance available under this section;

(4) for quality control of work performed under this section;

(5) for data collection, measurement, and verification with respect to that work;

(6) for program monitoring, oversight, evaluation, and reporting of that work;

(7) for labor, training, and technical assistance relating to that work;

(8) subject to subsection (g)(2), for planning, management, and administration of that work; and

(9) for any other appropriate activity, as determined by the Secretary.

(d) **APPLICATIONS.**—To be eligible for an award of financial assistance under this section, an eligible entity shall submit to the Secretary an application in such manner and containing such information as the Secretary may require.

(e) **AWARD FACTORS.**—In awarding financial assistance under this section, the Secretary shall consider—

(1) the record of the eligible entity, using the most recent year for which data are available, in constructing, renovating, repairing, and making energy efficient single-family, multifamily, or manufactured homes that are occupied by low-income persons, either directly or through affiliates, chapters, or other partners;

(2) the number of dwelling units occupied by low-income persons that the eligible entity has built, renovated, repaired, weatherized, and made more energy efficient in the 5 years immediately preceding the date on which the eligible entity submits an application under subsection (d);

(3) the qualifications, experience, and past performance of the eligible entity, including experience successfully managing and administering Federal funds;

(4) the strength of the proposal of the eligible entity to achieve one or more of the purposes described in subsection (a);

(5) the extent to which the eligible entity will use partnerships and regional coordination to achieve one or more of the purposes described in subsection (a);

(6) regional and climate zone diversity;

(7) urban, suburban, and rural localities; and

(8) any other appropriate factor, as determined by the Secretary.

(f) **FIRST AWARD.**—Subject to the availability of appropriations, not later than 270 days after the date of enactment of this section, the Secretary shall make a first award of financial assistance under this section.

(g) **AMOUNT AND TERM.**—

(1) **MAXIMUM AMOUNT.**—The total amount of financial assistance awarded to an eligible entity under this section shall not exceed \$2,000,000.

(2) *PLANNING, MANAGEMENT, AND ADMINISTRATION.*—Of the amount awarded to an eligible entity under this section, not more than 15 percent may be used by the eligible entity for the purpose described in subsection (c)(8).

(3) *TECHNICAL AND TRAINING ASSISTANCE.*—The total amount of financial assistance awarded to an entity under this section shall be reduced by the cost of any technical and training assistance provided by the Secretary under this section that relates to that financial assistance.

(4) *TERM.*—The term of an award of financial assistance under this section shall not exceed 3 years.

(h) *GUIDANCE.*—Not later than 90 days after the date of enactment of this section, the Secretary shall issue guidance on implementing this section, which shall include, with respect to eligible entities awarded financial assistance under this section—

- (1) standards for allowable expenditures;
- (2) a minimum saving-to-investment ratio; and
- (3) standards for—
  - (A) training programs;
  - (B) energy audits;
  - (C) the provision of technical assistance;
  - (D) monitoring activities carried out using the financial assistance;
  - (E) verification of energy and cost savings;
  - (F) liability insurance requirements; and
  - (G) recordkeeping and reporting requirements, which shall include reporting to the Office of Weatherization and Intergovernmental Programs of the Department of Energy applicable data on each dwelling unit retrofitted or otherwise assisted by the eligible entity using the financial assistance.

(i) *COMPLIANCE WITH STATE AND LOCAL LAW.*—Nothing in this section supersedes or modifies any State or local law to the extent that the State or local law is more stringent than this section.

(j) *REVIEW AND EVALUATION.*—The Secretary shall review and evaluate the performance of each eligible entity that receives an award of financial assistance under this section, which may include an audit.

(k) *ANNUAL REPORT.*—The Secretary shall submit to the relevant committees of Congress an annual report that describes—

- (1) the actions taken by the Secretary and eligible entities awarded financial assistance under this section to achieve the purposes of this section during the year covered by the report; and
- (2) the energy and cost savings, and any other accomplishments, achieved under this section during the year covered by the report.

(l) *FUNDING.*—

(1) *IN GENERAL.*—Subject to paragraphs (2) and (3), for each of fiscal years 2020 through 2024, of the amount appropriated under section 422—

- (A) if the amount is not more than \$225,000,000, no funds shall be used to carry out this section;

(B) if the amount is not more than \$260,000,000, not more than 2 percent of that amount may be used to carry out this section;

(C) if the amount is not more than \$300,000,000, not more than 4 percent of that amount may be used to carry out this section; and

(D) if the amount is more than \$300,000,000, not more than 6 percent of that amount may be used to carry out this section.

(2) *AMOUNTS EXCLUDED.*—Each amount described in paragraph (1) shall not include the amount made available for Department of Energy headquarters training or technical assistance.

(3) *MAXIMUM AMOUNT.*—The maximum amount used to carry out this section in each fiscal year shall not exceed \$25,000,000.

#### Limitations

SEC. 415. (a)(1) Not more than an amount equal to **[10 percent]** 15 percent of any grant made by the Secretary under this part may be used for administrative purposes in carrying out duties under this part, except that not more than one-half of such amount may be used by any State for such purposes, and a State may provide in the plan adopted pursuant to subsection (b) of this section for recipients of grants of less than \$350,000 to use up to an additional 5 percent of such grant for administration if the State has determined that such recipient requires such additional amount to implement effectively the administrative requirements established by the Secretary pursuant to this part.

(2) The Secretary shall establish energy audit procedures and techniques which (i) meet standards established by the Secretary after consultation with the State Energy Advisory Board established under section 365(g) of the Energy Policy and Conservation Act, (ii) establish priorities for selection of weatherization measures based on their cost and contribution to energy efficiency, (iii) measure the energy requirement of individual dwellings and the rate of return of the total conservation investment in a dwelling, and (iv) account for interaction among energy efficiency measures.

(b) The Secretary shall insure that financial assistance provided under this part will—

(1) be allocated within the State or area in accordance with a published State or area plan, which is adopted by such State after notice and a public hearing, describing the proposed funding distributions and recipients;

(2) be allocated, pursuant to such State or area plan, to community action agencies carrying out programs under title II of the Economic Opportunity Act of 1964 or to other appropriate and qualified public or nonprofit entities in such State or area so that—

(A) funds will be allocated on the basis of the relative need for weatherization assistance among the low-income persons within such State or area, taking into account appropriate climatic and energy conservation factors; and

(B) due consideration will be given to the results of periodic evaluations of the projects carried out under this part

in light of available information regarding the current and anticipated energy and weatherization needs of low-income persons within the State; and

(3) be terminated or discontinued during the application period only in accordance with policies and procedures consistent with the policies and procedures set forth in section 6868 of this title.

(c)(1) Except as provided in paragraphs (3) and (4), the expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters shall not exceed an average of \$6,500 per dwelling unit weatherized in that State. Labor, weatherization materials, and related matter includes, but is not limited to—

(A) the appropriate portion of the cost of tools and equipment used to install weatherization materials for a dwelling unit;

(B) the cost of transporting labor, tools, and materials to a dwelling unit;

(C) the cost of having onsite supervisory personnel;

(D) the cost of making incidental repairs to a dwelling unit if such repairs are necessary to make the installation of weatherization materials effective, and

(E) the cost of making heating and cooling modifications, including replacement

[(2) Dwelling units partially weatherized under this part or under other Federal programs during the period September 30, 1975, through September 30, 1994, may receive further financial assistance for weatherization under this part.]

(2) FURTHER ASSISTANCE.—

(A) DEFINITION OF INTERIM SERVICE.—

(i) IN GENERAL.—*In this paragraph, the term “interim service” means an energy service that takes place between instances of weatherization or partial weatherization of a dwelling unit, as determined by the Secretary.*

(ii) INCLUSION.—*In this paragraph, the term ‘interim service’ includes—*

(I) *the provision of energy information and education to assist with energy management;*

(II) *an evaluation of the effectiveness of installed weatherization measures; and*

(III) *the provision of services, equipment, or other measures funded by non-Federal funds, as determined by the Secretary.*

(B) FURTHER ASSISTANCE.—*Dwelling units weatherized or partially weatherized under this part, or under other Federal programs—*

(i) *may not receive further financial assistance for weatherization under this part until the date that is 15 years after the date on which the previous weatherization was completed; and*

(ii) *may receive further financial assistance for weatherization under this part for the purpose of providing an interim service.*

\* \* \* \* \*



Authorization of Appropriations

SEC. 422. For the purpose of carrying out the weatherization program under this part, there are authorized to be [appropriated—

- (1) \$750,000,000 for fiscal year 2008;
- (2) \$900,000,000 for fiscal year 2009;
- (3) \$1,050,000,000 for fiscal year 2010;
- (4) \$1,200,000,000 for fiscal year 2011; and
- (5) \$1,400,000,000 for fiscal year 2012.] *appropriated \$350,000,000 for each of fiscal years 2020 through 2024.*

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