

FEDERAL MECHANICAL INSULATION ACT

FEBRUARY 4, 2026.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GUTHRIE, from the Committee on Energy and Commerce,
submitted the following

R E P O R T

[To accompany H.R. 3474]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 3474) to clarify that the installation of mechanical insulation property is an energy or water efficiency measure that may be used in Federal buildings for purposes of section 543(f) of the National Energy Conservation Policy Act, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 3474, the Federal Mechanical Insulation Act, was introduced by Representative Weber (R-TX) on May 15, 2025, and referred to the Committee on Energy and Commerce on May 15, 2025. H.R. 3474 would add an assessment of whether mechanical insulation should be updated or installed during energy and water evaluations of federal buildings.

BACKGROUND AND NEED FOR LEGISLATION

With over 350,000 buildings under its ownership, the federal government is the largest consumer of energy in the United States.¹ When it comes to the energy efficiency of federal buildings, addressing the low hanging fruit can have significant impact on lowering energy usage and subsequently, demand on the electric grid. The consideration of installing mechanical insulation is an opportunity for potential energy efficiency increases by limiting thermal energy loss from systems within federal buildings.

On November 9, 1978, the National Energy Conservation Policy Act was signed into law.² The aim of the law, among other things, was to provide regulations to conserve non-renewable energy resources by reducing energy demand growth without hindering economic growth. The statute established federal energy management standards and guidelines, which includes the evaluation of the energy and water usage of federally owned buildings.³ Energy usage must be evaluated by designated energy managers of the relevant federal agency, and the managers are required to complete their comprehensive energy and water use evaluations for approximately 25 percent of federal facilities on an annual basis, so that an evaluation of each facility is completed at least once every four years.⁴

The intent of these evaluations is to identify areas of improvements in energy and water efficiency that are reasonably achievable. H.R. 3474 aims to increase opportunities for improvements within these evaluations by requiring an assessment of whether mechanical insulation should be updated or installed during comprehensive energy and water evaluations for federal buildings. The legislation defines mechanical insulation properties as products which meet the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Reference Standard 90.1. Importantly, H.R. 3474 does not mandate or require the use of mechanical insulation but instead highlights it as a tool for increasing energy efficiency.

The Committee believes this measure will benefit energy managers in completing their comprehensive evaluation and will help lower the energy consumption of our nation's federal buildings while saving taxpayer dollars.

¹ U.S. DEPT OF ENERGY, About the Federal Energy Management Program, (last visited Nov. 24, 2025), <https://www.energy.gov/femp/about-federal-energy-management-program#:text=Braderumb,water%2Dreduction%2Drequirements%20and%20goals>.

² Pub. L. No. 95-619, 92 Stat. 3206.

³ 42 U.S.C. § 8253.

⁴ 42 U.S.C. § 8253(f)(2), (3).

COMMITTEE ACTION

On September 16, 2025, the Subcommittee on Energy held a legislative hearing on H.R. 3474. The Subcommittee received testimony from:

- Jeff Novak, Acting General Counsel and Principal Deputy General Counsel, U.S. Department of Energy;
- George Lowe, Vice President of Governmental Affairs and Public Policy, American Gas Association;
- Jennifer Cleary, Vice President of Regulatory Affairs, Association of Home Appliance Manufacturers;
- Brian Tebbenkamp, President and Owner, Patriot Homes Inc; and,
- Andrew deLaski, Executive Director, Appliance Standards Awareness Project.

On November 19, 2025, the Subcommittee on Energy met in open markup session and forwarded H.R. 3474, without amendment, to the full Committee by a voice vote. On December 3, 2025, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 3474, without amendment, favorably reported to the House by a record vote of 51 yeas and 0 nays.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The following reflects the record votes taken during the Committee consideration:

**COMMITTEE ON ENERGY AND COMMERCE
119TH CONGRESS
ROLL CALL VOTE # 10**

BILL: H.R. 3473, Federal Mechanical Insulation Act

AMENDMENT: Final Passage

DISPOSITION: Agreed to, by a roll call vote of 51 yeas and 0 nays.

REPRESENTATIVE	YEAS	NAYS	PRESENT	REPRESENTATIVE	YEAS	NAYS	PRESENT
Mr. Guthrie	X			Mr. Pallone	X		
Mr. Latta	X			Ms. DeGette	X		
Mr. Griffith	X			Ms. Schakowsky	X		
Mr. Bilirakis				Ms. Matsui	X		
Mr. Hudson	X			Ms. Castor	X		
Mr. Carter (GA)	X			Mr. Tonko	X		
Mr. Palmer	X			Ms. Clarke	X		
Mr. Dunn	X			Mr. Ruiz	X		
Mr. Crenshaw	X			Mr. Peters	X		
Mr. Joyce	X			Mrs. Dingell	X		
Mr. Weber	X			Mr. Veasey	X		
Mr. Allen	X			Ms. Kelly	X		
Mr. Balderson	X			Ms. Barragán	X		
Mr. Fulcher	X			Mr. Soto	X		
Mr. Pfluger	X			Ms. Schrier	X		
Mrs. Harshbarger	X			Ms. Trahan	X		
Mrs. Miller-Meeks	X			Ms. Fletcher	X		
Mrs. Cammack	X			Ms. Ocasio-Cortez	X		
Mr. Obernolte	X			Mr. Auchincloss	X		
Mr. James	X			Mr. Carter (LA)	X		
Mr. Bentz	X			Mr. Menendez	X		
Mrs. Houchin				Mr. Mullin	X		
Mr. Fry	X			Mr. Landsman	X		
Ms. Lee	X			Ms. McClellan	X		
Mr. Langworthy	X						
Mr. Kean	X						
Mr. Rulli							
Mr. Evans	X						
Mr. Goldman	X						
Mrs. Fedorchak	X						

12/03/2025

OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY,
AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 3474 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, at the time this report was filed, the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not available.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to require an assessment of whether mechanical insulation should be updated or installed during comprehensive energy and water evaluations for federal buildings.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 3474 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

RELATED COMMITTEE AND SUBCOMMITTEE HEARINGS

Pursuant to clause 3(c)(6) of rule XIII, the following related hearings were used to develop or consider H.R. 3474:

On February 5, 2025, the Subcommittee on Energy held a hearing on H.R. 3474. The title of the hearing was “Powering America’s Future: Unleashing American Energy.” The Subcommittee received testimony from:

- Amanda Eversole, Executive Vice President and Chief Advocacy Officer, American Petroleum Institute;
- Brigham McCown, Senior Fellow and Director, Initiative on American Energy Security, The Hudson Institute;
- Gary Arnold, Business Manager, Denver Pipefitters Local 208; and,
- Tyler O’Conner, Partner, Crowell & Moring LLP

On March 5, 2025, the Subcommittee on Energy held a hearing on H.R. 3474. The title of the hearing was “Scaling for Growth:

Meeting the Demand for Reliable, Affordable Electricity.” The Subcommittee received testimony from:

- Todd Brickhouse, CEO and General Manager, Basin Electric Power Cooperative;
- Asim Z. Haque, Senior Vice President for Governmental and Member Services, PJM;
- Noel W. Black, Senior Vice President of Regulatory Affairs, Southern Company; and,
- Tyler H. Norris, James B. Duke Fellow, Duke University.

On September 9, 2025, the Subcommittee on Energy held a hearing on H.R. 3474. The title of the hearing was “Building the American Dream: Examining Affordability, Choice, and Security in Appliance and Buildings Policies.” The Subcommittee received testimony from:

- Buddy Hughes, Chairman, National Association of Home Builders;
- Ben Lieberman, Senior Fellow, Competitive Enterprise Institute;
- Jim Steffes, Senior Vice President of Regulatory Affairs, Washington Gas; and,
- Kara Saul-Rinaldi, Chief Policy Officer, Building Performance Association.

On September 16, 2025, the Subcommittee on Energy held a legislative hearing on H.R. 3474. The title of the hearing was “Appliance and Buildings Policies: Restoring the American Dream of Home Ownership and Consumer Choice.” The Subcommittee received testimony from:

- Jeff Novak, Acting General Counsel and Principal Deputy General Counsel, U.S. Department of Energy;
- George Lowe, Vice President of Governmental Affairs and Public Policy, American Gas Association;
- Jennifer Cleary, Vice President of Regulatory Affairs, Association of Home Appliance Manufacturers;
- Brian Tebbenkamp, President and Owner, Patriot Homes Inc.; and,
- Andrew deLaski, Executive Director, Appliance Standards Awareness Project.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the estimate was not available.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 3474 contains no earmarks, limited tax benefits, or limited tariff benefits.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1: Short title

Section 1 provides a short title of the “Federal Mechanical Insulation Act.”

Section 2: Installation of mechanical insulation property as an energy or water efficiency measure in Federal buildings

Section 2 amends the National Energy Conservation Policy Act by defining mechanical insulation properties and requiring an assessment of energy- and water-saving measures, including the installation of mechanical insulation, during a comprehensive energy and water evaluation.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

NATIONAL ENERGY CONSERVATION POLICY ACT

* * * * *

TITLE V—FEDERAL ENERGY INITIATIVE

* * * * *

PART 3—FEDERAL ENERGY MANAGEMENT

* * * * *

SEC. 543. ENERGY AND WATER MANAGEMENT REQUIREMENTS.

(a) ENERGY PERFORMANCE REQUIREMENT FOR FEDERAL BUILDINGS.—(1) Subject to paragraph (2), each agency shall apply energy conservation measures to, and shall improve the design for the construction of, the Federal buildings of the agency (including each industrial or laboratory facility) so that the energy consumption per gross square foot of the Federal buildings of the agency in fiscal years 2006 through 2015 is reduced, as compared with the energy consumption per gross square foot of the Federal buildings of the agency in fiscal year 2003, by the percentage specified in the following table:

Fiscal Year	Percentage Reduction
2006	2
2007	4
2008	9
2009	12
2010	15

Fiscal Year	Percentage Reduction
2011	18
2012	21
2013	24
2014	27
2015	30

(2) An agency may exclude from the requirements of paragraph (1) any building, and the associated energy consumption and gross square footage, in which energy intensive activities are carried out. Each agency shall identify and list in each report made under section 548(a) the buildings designated by it for such exclusion.

(3) Not later than December 31, 2014, the Secretary shall review the results of the implementation of the energy performance requirement established under paragraph (1) and submit to Congress recommendations concerning energy performance requirements for fiscal years 2016 through 2025.

(b) **ENERGY AND WATER MANAGEMENT REQUIREMENT FOR FEDERAL AGENCIES.—**

(1) **IN GENERAL.—**Each agency shall—

(A) not later than October 1, 2022, to the maximum extent practicable, begin installing in Federal buildings owned by the United States all energy and water conservation measures determined by the Secretary to be life cycle cost-effective (as defined in subsection (f)(1)); and

(B) complete the installation described in subparagraph (A) as soon as practicable after the date referred to in that subparagraph.

(2) **EXPLANATION OF NONCOMPLIANCE.—**

(A) **IN GENERAL.—**If an agency fails to comply with paragraph (1), the agency shall submit to the Secretary, using guidelines developed by the Secretary, an explanation of the reasons for the failure.

(B) **REPORT TO CONGRESS.—**Not later than January 1, 2022, and every 2 years thereafter, the Secretary shall submit to Congress a report that describes any noncompliance by an agency with the requirements of paragraph (1).

(3) This subsection shall not apply to an agency's facilities that generate or transmit electric energy or to the uranium enrichment facilities operated by the Department of Energy.

(4) An agency may participate in the Environmental Protection Agency's "Green Lights" program for purposes of receiving technical assistance in complying with the requirements of this section.

(c) **EXCLUSIONS.—**(1)(A) The head of each agency may exclude, from the energy or water performance requirement for a fiscal year established under subsection (a) and the energy or water management requirement established under subsection (b), any Federal building or collection of Federal buildings, if the head of the agency finds that—

(i) compliance with those requirements would be impracticable;

(ii) the agency has completed and submitted all federally required energy or water management reports;

(iii) the agency has achieved compliance with the energy or water efficiency requirements of this Act, the Energy Policy Act of 1992, Executive orders, and other Federal law; and

(iv) the agency has implemented all practicable, life cycle cost-effective projects with respect to the Federal building or collection of Federal buildings to be excluded.

(B) A finding of impracticability under subparagraph (A)(i) shall be based on—

(i) the energy or water intensiveness of activities carried out in the Federal building or collection of Federal buildings; or

(ii) the fact that the Federal building or collection of Federal buildings is used in the performance of a national security function.

(2) Each agency shall identify and list, in each report made under section 548(a), the Federal buildings designated by it for such exclusion. The Secretary shall review such findings for consistency with the standards for exclusion set forth in paragraph (1), and may within 90 days after receipt of the findings, reverse the exclusion. In the case of any such reversal, the agency shall comply with the requirements of subsections (a) and (b)(1) for the building concerned.

(3) Not later than 180 days after the date of enactment of this paragraph, the Secretary shall issue guidelines that establish criteria for exclusions under paragraph (1).

(d) IMPLEMENTATION STEPS.—The Secretary shall consult with the Secretary of Defense and the Administrator of General Services in developing guidelines for the implementation of this part. To meet the requirements of this section, each agency shall—

(1) prepare and submit to the Secretary, not later than December 31, 1993, a plan describing how the agency intends to meet such requirements, including how it will—

(A) designate personnel primarily responsible for achieving such requirements;

(B) identify high priority projects through calculation of payback periods;

(C) take maximum advantage of contracts authorized under title VIII of this Act, of financial incentives and other services provided by utilities for efficiency investment, and of other forms of financing to reduce the direct costs to the Government; and

(D) otherwise implement this part;

(2) perform energy and water surveys of its Federal buildings to the extent necessary and update such surveys as needed, incorporating any relevant information obtained from the survey conducted pursuant to section 550;

(3) using such surveys, determine the cost and payback period of energy and water conservation measures likely to achieve the requirements of this section;

(4) install energy and water conservation measures that will achieve the requirements of this section through the methods and procedures established pursuant to section 544; and

(5) ensure that the operation and maintenance procedures applied under this section are continued.

(e) METERING OF ENERGY AND WATER USE.—

(1) DEADLINE.—By October 1, 2022, in accordance with guidelines established by the Secretary under paragraph (2), all Federal buildings shall, for the purposes of efficient use of energy and water and reduction in the cost of electricity and

water used in such buildings, be metered. Each agency shall use, to the maximum extent practicable, advanced meters or advanced metering devices that provide data at least daily and that measure at least hourly consumption of electricity and water in the Federal buildings of the agency. Not later than October 1, 2016, each agency shall provide for equivalent metering of natural gas and steam, in accordance with guidelines established by the Secretary under paragraph (2). Such data shall be incorporated into existing Federal energy and water tracking systems and made available to Federal facility managers.

(2) GUIDELINES.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Secretary, in consultation with the Department of Defense, the General Services Administration, representatives from the metering industry, utility industry, energy services industry, energy efficiency industry, energy efficiency advocacy organizations, national laboratories, universities, Federal facility managers, and any other person the Secretary deems necessary, shall establish guidelines for agencies to carry out paragraph (1).

(B) REQUIREMENTS FOR GUIDELINES.—The guidelines shall—

(i) take into consideration—

(I) the cost of metering and the reduced cost of operation and maintenance expected to result from metering;

(II) the extent to which metering is expected to result in increased potential for energy and water management, increased potential for energy and water savings and energy and water efficiency improvement, and cost and energy and water savings due to utility contract aggregation; and

(III) the measurement and verification protocols of the Department of Energy;

(ii) include recommendations concerning the amount of funds and the number of trained personnel necessary to gather and use the metering information to track and reduce energy and water use;

(iii) establish priorities for types and locations of buildings to be metered based on cost-effectiveness and a schedule of one or more dates, not later than 1 year after the date of issuance of the guidelines, on which the requirements specified in paragraph (1) shall take effect; and

(iv) establish exclusions from the requirements specified in paragraph (1) based on the de minimis quantity of energy and water use of a Federal building, industrial process, or structure.

(C) UPDATE.—Not later than 180 days after the date of enactment of this subparagraph, the Secretary shall update the guidelines established under subparagraph (A) to take into account water efficiency requirements under this section.

(3) PLAN.—Not later than 180 days after the date on which guidelines are updated under paragraph (2)(C), in a report submitted by the agency under section 548(a), each agency shall submit to the Secretary a plan describing the manner in which the agency will implement the requirements of paragraph (1), including—

(A) how the agency will designate personnel primarily responsible for achieving the requirements; and

(B) a demonstration by the agency, complete with documentation, of any finding that advanced meters or advanced metering devices (as those terms are used in paragraph (1)), are not practicable.

(4) BEST PRACTICES REPORT.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of the Energy Act of 2020, the Secretary of Energy, in consultation with the Secretary of Defense and the Administrator of General Services, shall develop, and issue a report on, best practices for the use of advanced metering of energy and water use in Federal facilities, buildings, and equipment by Federal agencies.

(B) COMPONENTS.—The report shall include, at a minimum—

(i) summaries and analysis of the reports by agencies under paragraph (3);

(ii) recommendations on standard requirements or guidelines for automated energy and water management systems, including—

(I) potential common communications standards to allow data sharing and reporting;

(II) means of facilitating continuous commissioning of buildings and evidence-based maintenance of buildings and building systems; and

(III) standards for sufficient levels of security and protection against cyber threats to ensure systems cannot be controlled by unauthorized persons; and

(iii) an analysis of—

(I) the types of advanced metering and monitoring systems being piloted, tested, or installed in Federal buildings; and

(II) existing techniques used within the private sector or other non-Federal government buildings.

(f) USE OF ENERGY AND WATER EFFICIENCY MEASURES IN FEDERAL BUILDINGS.—

(1) DEFINITIONS.—In this subsection:

(A) COMMISSIONING.—The term “commissioning”, with respect to a facility, means a systematic process—

(i) of ensuring, using appropriate verification and documentation, during the period beginning on the initial day of the design phase of the facility and ending not earlier than 1 year after the date of completion of construction of the facility, that all facility systems perform interactively in accordance with—

(I) the design documentation and intent of the facility; and

(II) the operational needs of the owner of the facility, including preparation of operation personnel; and

(ii) the primary goal of which is to ensure fully functional systems that can be properly operated and maintained during the useful life of the facility.

(B) ENERGY MANAGER.—

(i) IN GENERAL.—The term “energy manager”, with respect to a facility, means the individual who is responsible for—

(I) ensuring compliance with this subsection by the facility; and

(II) reducing energy use at the facility.

(ii) INCLUSIONS.—The term “energy manager” may include—

(I) a contractor of a facility;

(II) a part-time employee of a facility; and

(III) an individual who is responsible for multiple facilities.

(C) FACILITY.—

(i) IN GENERAL.—The term “facility” means any building, installation, structure, or other property (including any applicable fixtures) owned or operated by, or constructed or manufactured and leased to, the Federal Government.

(ii) INCLUSIONS.—The term “facility” includes—

(I) a group of facilities at a single location or multiple locations managed as an integrated operation; and

(II) contractor-operated facilities owned by the Federal Government.

(iii) EXCLUSIONS.—The term “facility” does not include any land or site for which the cost of utilities is not paid by the Federal Government.

(D) LIFE CYCLE COST-EFFECTIVE.—The term “life cycle cost-effective”, with respect to a measure, means a measure, the estimated savings of which exceed the estimated costs over the lifespan of the measure, as determined in accordance with section 544.

(E) ONGOING COMMISSIONING.—The term “ongoing commissioning” means an ongoing process of commissioning using monitored data, the primary goal of which is to ensure continuous optimum performance of a facility, in accordance with design or operating needs, over the useful life of the facility, while meeting facility occupancy requirements.

(F) PAYBACK PERIOD.—

(i) IN GENERAL.—Subject to clause (ii), the term “payback period”, with respect to a measure, means a value equal to the quotient obtained by dividing—

(I) the estimated initial implementation cost of the measure (other than financing costs); by

(II) the annual cost savings resulting from the measure, including—

(aa) net savings in estimated energy and water costs; and

(bb) operations, maintenance, repair, replacement, and other direct costs.

(ii) MODIFICATIONS AND EXCEPTIONS.—The Secretary, in guidelines issued pursuant to paragraph (6), may make such modifications and provide such exceptions to the calculation of the payback period of a measure as the Secretary determines to be appropriate to achieve the purposes of this Act.

(G) RECOMMISSIONING.—The term “recommissioning” means a process—

(i) of commissioning a facility or system beyond the project development and warranty phases of the facility or system; and

(ii) the primary goal of which is to ensure optimum performance of a facility, in accordance with design or current operating needs, over the useful life of the facility, while meeting building occupancy requirements.

(H) RETROCOMMISSIONING.—The term “retrocommissioning” means a process of commissioning a facility or system that was not commissioned at the time of construction of the facility or system.

(I) MECHANICAL INSULATION PROPERTY.—*The term “mechanical insulation property” means insulation materials, facings, and accessory products—*

(i) placed in service—

(I) in connection with a mechanical system; and

(II) in a manner that meets or exceeds the minimum requirements of the American Society of Heating, Refrigerating and Air-Conditioning Engineers Standard 90.1, as in effect on the date of enactment of this subparagraph; and

(ii) which result in a reduction in energy loss from the mechanical system.

(2) FACILITY ENERGY MANAGERS.—

(A) IN GENERAL.—Each Federal agency shall designate an energy manager responsible for implementing this subsection and reducing energy and water use at each facility that meets criteria under subparagraph (B).

(B) COVERED FACILITIES.—The Secretary shall develop criteria, after consultation with affected agencies, efficiency advocates, and energy and utility service providers, that cover, at a minimum, Federal facilities, including central utility plants and distribution systems and other energy intensive operations, that constitute at least 75 percent of facility energy or water use at each agency.

(C) ENERGY MANAGEMENT SYSTEM.—An energy manager designated for a facility under subparagraph (A) shall take into consideration—

(i) the use of a system to manage energy and water use at the facility; and

(ii) the applicability of the certification of the facility in accordance with the International Organization for

Standardization standard numbered 50001 and entitled “Energy Management Systems”.

(3) ENERGY AND WATER EVALUATIONS AND COMMISSIONING.—

(A) EVALUATIONS.—Except as provided in subparagraph (B), not later than the date that is 180 days after the date of enactment of the Energy Act of 2020, and annually thereafter, each energy manager shall complete, for the preceding calendar year, a comprehensive energy and water evaluation, *including identification of energy- and water-saving measures (including the installation of mechanical insulation property, if applicable)*, and recommissioning or retrocommissioning for approximately 25 percent of the facilities of the applicable agency that meet the criteria under paragraph (2)(B) in a manner that ensures that an evaluation of each facility is completed not less frequently than once every 4 years.

(B) EXCEPTIONS.—An evaluation and recommissioning or retrocommissioning shall not be required under subparagraph (A) with respect to a facility that, as of the date on which the evaluation and recommissioning or retrocommissioning would occur—

(i) has had a comprehensive energy and water evaluation during the preceding 8-year period;

(ii)(I) has been commissioned, recommissioned, or retrocommissioned during the preceding 10-year period; or

(II) is under ongoing commissioning, recommissioning, or retrocommissioning;

(iii) has not had a major change in function or use since the previous evaluation and recommissioning or retrocommissioning;

(iv) has been benchmarked with public disclosure under paragraph (8) during the preceding calendar year; and

(v)(I) based on the benchmarking described in clause (iv), has achieved at a facility level the most recent cumulative energy savings target under subsection (a) compared to the earlier of—

(aa) the date of the most recent evaluation; or

(bb) the date—

(AA) of the most recent commissioning, recommissioning, or retrocommissioning; or

(BB) on which ongoing commissioning began; or

(II) has a long-term contract in place guaranteeing energy savings at least as great as the energy savings target under subclause (I).

(4) IMPLEMENTATION OF IDENTIFIED ENERGY AND WATER EFFICIENCY MEASURES.—

(A) IN GENERAL.—Not later than 2 years after the date of completion of each evaluation under paragraph (3), each energy manager shall implement any energy- or water-saving measure that—

(i) the Federal agency identified in the evaluation; and

(ii) is life cycle cost-effective, as determined by evaluating an individual measure or a bundle of measures with varying paybacks.

(B) PERFORMANCE CONTRACTING.—Each Federal agency shall use performance contracting to address at least 50 percent of the measures identified under subparagraph (A)(i).

(5) FOLLOW-UP ON IMPLEMENTED MEASURES.—For each measure implemented under paragraph (4), each energy manager shall ensure that—

(A) equipment, including building and equipment controls, is fully commissioned at acceptance to be operating at design specifications;

(B) a plan for appropriate operations, maintenance, and repair of the equipment is in place at acceptance and is followed;

(C) equipment and system performance is measured during its entire life to ensure proper operations, maintenance, and repair; and

(D) energy and water savings are measured and verified.

(6) GUIDELINES.—

(A) IN GENERAL.—The Secretary shall issue guidelines and necessary criteria that each Federal agency shall follow for implementation of—

(i) paragraphs (2) and (3) not later than 180 days after the date of enactment of this subsection; and

(ii) paragraphs (4) and (5) not later than 1 year after the date of enactment of this subsection.

(B) RELATIONSHIP TO FUNDING SOURCE.—The guidelines issued by the Secretary under subparagraph (A) shall be appropriate and uniform for measures funded with each type of funding made available under paragraph (10), but may distinguish between different types of measures project size, and other criteria the Secretary determines are relevant.

(7) WEB-BASED CERTIFICATION.—

(A) IN GENERAL.—For each facility that meets the criteria established by the Secretary under paragraph (2)(B), the energy manager shall use the web-based tracking system under subparagraph (B)—

(i) to certify compliance with the requirements for—

(I) energy and water evaluations under paragraph (3);

(II) implementation of identified energy and water measures under paragraph (4); and

(III) follow-up on implemented measures under paragraph (5); and

(ii) to publish energy and water consumption data on an individual facility basis.

(B) DEPLOYMENT.—

(i) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall develop and deploy a web-based tracking system required under this paragraph in a manner that tracks, at a minimum—

- (I) the covered facilities;
- (II) the status of meeting the requirements specified in subparagraph (A);
- (III) the estimated cost and savings for measures required to be implemented in a facility;
- (IV) the measured savings and persistence of savings for implemented measures; and
- (V) the benchmarking information disclosed under paragraph (8)(C).

(ii) EASE OF COMPLIANCE.—The Secretary shall ensure that energy manager compliance with the requirements in this paragraph, to the maximum extent practicable—

(I) can be accomplished with the use of streamlined procedures and templates that minimize the time demands on Federal employees; and

(II) is coordinated with other applicable energy and water reporting requirements.

(C) AVAILABILITY.—

(i) IN GENERAL.—Subject to clause (ii), the Secretary shall make the web-based tracking system required under this paragraph available to Congress, other Federal agencies, and the public through the Internet.

(ii) EXEMPTIONS.—At the request of a Federal agency, the Secretary may exempt specific data for specific facilities from disclosure under clause (i) for national security purposes.

(8) BENCHMARKING OF FEDERAL FACILITIES.—

(A) IN GENERAL.—The energy manager shall enter energy use data for each metered building that is (or is a part of) a facility that meets the criteria established by the Secretary under paragraph (2)(B) into a building energy use benchmarking system, such as the Energy Star Portfolio Manager.

(B) SYSTEM AND GUIDANCE.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall—

(i) select or develop the building energy use benchmarking system required under this paragraph for each type of building; and

(ii) issue guidance for use of the system.

(C) PUBLIC DISCLOSURE.—Each energy manager shall post the information entered into, or generated by, a benchmarking system under this subsection, on the web-based tracking system under paragraph (7)(B). The energy manager shall update such information each year, and shall include in such reporting previous years' information to allow changes in building performance to be tracked over time.

(9) FEDERAL AGENCY SCORECARDS.—

(A) IN GENERAL.—The Director of the Office of Management and Budget shall issue semiannual scorecards for energy and water management activities carried out by each Federal agency that includes—

(i) summaries of the status of implementing the various requirements of the agency and its energy managers under this subsection; and

(ii) any other means of measuring performance that the Director considers appropriate.

(B) AVAILABILITY.—The Director shall make the scorecards required under this paragraph available to Congress, other Federal agencies, and the public through the Internet.

(10) FUNDING AND IMPLEMENTATION.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(B) FUNDING OPTIONS.—

(i) IN GENERAL.—To carry out this subsection, a Federal agency may use any combination of—

(I) appropriated funds made available under subparagraph (A); and

(II) private financing otherwise authorized under Federal law, including financing available through energy savings performance contracts or utility energy service contracts.

(ii) COMBINED FUNDING FOR SAME MEASURE.—A Federal agency may use any combination of appropriated funds and private financing described in clause (i) to carry out the same measure under this subsection.

(C) IMPLEMENTATION.—Each Federal agency may implement the requirements under this subsection itself or may contract out performance of some or all of the requirements.

(11) RULE OF CONSTRUCTION.—This subsection shall not be construed to require or to obviate any contractor savings guarantees.

(g) LARGE CAPITAL ENERGY INVESTMENTS.—

(1) IN GENERAL.—Each Federal agency shall ensure that any large capital energy investment in an existing building that is not a major renovation but involves replacement of installed equipment (such as heating and cooling systems), or involves renovation, rehabilitation, expansion, or remodeling of existing space, employs the most energy efficient designs, systems, equipment, and controls that are life-cycle cost effective.

(2) PROCESS FOR REVIEW OF INVESTMENT DECISIONS.—Not later than 180 days after the date of enactment of this subsection, each Federal agency shall—

(A) develop a process for reviewing each decision made on a large capital energy investment described in paragraph (1) to ensure that the requirements of this subsection are met; and

(B) report to the Director of the Office of Management and Budget on the process established.

(3) COMPLIANCE REPORT.—Not later than 1 year after the date of enactment of this subsection, the Director of the Office of Management and Budget shall evaluate and report to Congress on the compliance of each agency with this subsection.

(h) **FEDERAL IMPLEMENTATION STRATEGY FOR ENERGY-EFFICIENT AND ENERGY-SAVING INFORMATION TECHNOLOGIES.**—

(1) **DEFINITIONS.**—In this subsection:

(A) **DIRECTOR.**—The term “Director” means the Director of the Office of Management and Budget.

(B) **INFORMATION TECHNOLOGY.**—The term “information technology” has the meaning given that term in section 11101 of title 40, United States Code.

(2) **DEVELOPMENT OF IMPLEMENTATION STRATEGY.**—Not later than 1 year after the date of enactment of the Energy Act of 2020, each Federal agency shall coordinate with the Director, the Secretary, and the Administrator of the Environmental Protection Agency to develop an implementation strategy (including best-practices and measurement and verification techniques) for the maintenance, purchase, and use by the Federal agency of energy-efficient and energy-saving information technologies at or for facilities owned and operated by the Federal agency, taking into consideration the performance goals established under paragraph (4).

(3) **ADMINISTRATION.**—In developing an implementation strategy under paragraph (2), each Federal agency shall consider—

(A) advanced metering infrastructure;

(B) energy efficient data center strategies and methods of increasing asset and infrastructure utilization;

(C) advanced power management tools;

(D) building information modeling, including building energy management;

(E) secure telework and travel substitution tools; and

(F) mechanisms to ensure that the agency realizes the energy cost savings of increased efficiency and utilization.

(4) **PERFORMANCE GOALS.**—

(A) **IN GENERAL.**—Not later than 180 days after the date of enactment of the Energy Act of 2020, the Director, in consultation with the Secretary, shall establish performance goals for evaluating the efforts of Federal agencies in improving the maintenance, purchase, and use of energy-efficient and energy-saving information technology at or for facilities owned and operated by the Federal agencies.

(B) **BEST PRACTICES.**—The Chief Information Officers Council established under section 3603 of title 44, United States Code, shall recommend best practices for the attainment of the performance goals established under subparagraph (A), which shall include, to the extent applicable by law, consideration by a Federal agency of the use of—

(i) energy savings performance contracting; and

(ii) utility energy services contracting.

(5) **REPORTS.**—

(A) **AGENCY REPORTS.**—Each Federal agency shall include in the report of the agency under section 527 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17143) a description of the efforts and results of the agency under this subsection.

(B) **OMB GOVERNMENT EFFICIENCY REPORTS AND SCORECARDS.**—Effective beginning not later than October 1,

2022, the Director shall include in the annual report and scorecard of the Director required under section 528 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17144) a description of the efforts and results of Federal agencies under this subsection.

(C) USE OF EXISTING REPORTING STRUCTURES.—The Director may require Federal agencies to submit any information required to be submitted under this subsection through reporting structures in use as of the date of enactment of the Energy Act of 2020.

(i) FEDERAL ENERGY MANAGEMENT PROGRAM.—

(1) IN GENERAL.—The Secretary shall carry out a program, to be known as the “Federal Energy Management Program” (referred to in this subsection as the “Program”), to facilitate the implementation by the Federal Government of cost-effective energy and water management and energy-related investment practices—

(A) to coordinate and strengthen Federal energy and water resilience;

(B) to promote environmental stewardship; and

(C) to reduce energy consumption during periods of unusually high electricity or natural gas demand.

(2) FEDERAL DIRECTOR.—The Secretary shall appoint an individual to serve as the director of the Program (referred to in this subsection as the “Federal Director”), which shall be a career position in the Senior Executive service, to administer the Program.

(3) PROGRAM ACTIVITIES.—

(A) STRATEGIC PLANNING AND TECHNICAL ASSISTANCE.—

In administering the Program, the Federal Director shall—

(i) provide technical assistance and project implementation support and guidance to agencies to identify, implement, procure, and track energy and water conservation measures required under this Act and under other provisions of law;

(ii) in coordination with the Administrator of the General Services Administration, establish appropriate procedures, methods, and best practices for use by agencies to select, monitor, and terminate contracts entered into pursuant to a utility incentive program under section 546(c) with utilities;

(iii) carry out the responsibilities of the Secretary under section 801, as determined appropriate by the Secretary;

(iv) establish and maintain internet-based information resources and project tracking systems and tools for energy and water management;

(v) coordinate comprehensive and strategic approaches to energy and water resilience planning for agencies;

(vi) establish a recognition program for Federal achievement in energy and water management, energy-related investment practices, environmental stewardship, and other relevant areas, through events such

as individual recognition award ceremonies and public announcements; and

(vii) promote the installation of demand-response technology and the use of demand-response practices in Federal buildings.

(B) ENERGY AND WATER MANAGEMENT AND REPORTING.—In administering the Program, the Federal Director shall—

(i) track and report on the progress of agencies in meeting the requirements of the agency under this section;

(ii) make publicly available agency performance data required under—

(I) this section and sections 544, 546, 547, and 548; and

(II) section 203 of the Energy Policy Act of 2005 (42 U.S.C. 15852);

(iii)(I) collect energy and water use and consumption data from each agency; and

(II) based on that data, submit to each agency a report that will facilitate the energy and water management, energy-related investment practices, and environmental stewardship of the agency in support of Federal goals under this Act and under other provisions of law;

(iv) carry out the responsibilities of the Secretary under section 305 of the Energy Conservation and Production Act (42 U.S.C. 6834);

(v) in consultation with the Administrator of the General Services Administration, acting through the head of the Office of High-Performance Green Buildings, establish and implement sustainable design principles for Federal facilities; and

(vi) designate products that meet the highest energy conservation standards for categories not covered under the Energy Star program established under section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a).

(C) FEDERAL INTERAGENCY COORDINATION.—In administering the Program, the Federal Director shall—

(i) develop and implement accredited training consistent with existing Federal programs and activities—

(I) relating to energy and water use, management, and resilience in Federal facilities, energy-related investment practices, and environmental stewardship; and

(II) that includes in-person training, internet-based programs, and national in-person training events;

(ii) carry out the functions of the Secretary with respect to the Interagency Energy Management Task Force under section 547; and

(iii) report on the implementation of the priorities of the President, including Executive orders, relating to energy and water use in Federal facilities, in coordination with—

- (I) the Office of Management and Budget;
- (II) the Council on Environmental Quality; and
- (III) any other entity, as considered necessary by the Federal Director.

(D) FACILITY AND FLEET OPTIMIZATION.—In administering the Program, the Federal Director shall develop guidance, supply assistance to, and track the progress of agencies—

- (i) in conducting portfolio-wide facility energy and water resilience planning and project integration;
- (ii) in building new construction and major renovations to meet the sustainable design and energy and water performance standards required under this section;
- (iii) in developing guidelines for—
 - (I) facility commissioning; and
 - (II) facility operations and maintenance; and
- (iv) in coordination with the Administrator of the General Services Administration, in meeting statutory and agency goals for Federal fleet vehicles.

(4) MANAGEMENT COUNCIL.—The Federal Director shall establish a management council to advise the Federal Director that shall—

- (A) convene not less frequently than once every quarter; and
- (B) consist of representatives from—
 - (i) the Council on Environmental Quality;
 - (ii) the Office of Management and Budget; and
 - (iii) the Office of Federal High-Performance Green Buildings in the General Services Administration.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this subsection \$36,000,000 for each of fiscal years 2021 through 2025.

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