Public Law 101-440
101st Congress

An Act

To amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "State Energy Efficiency Programs Improvement Act of 1990".

SEC. 2. STATE ENERGY EFFICIENCY GOALS AND DEFINITIONS.

(a) Goals.—(1) Section 364 of the Energy Policy and Conservation Act (42 U.S.C. 6324) is amended to read as follows:

"STATE ENERGY EFFICIENCY GOALS"

"Sec. 364. Each State energy conservation plan with respect to which assistance is made available under this part on or after October 1, 1991, shall contain a goal, consisting of an improvement of 10 percent or more in the efficiency of use of energy in the State concerned in the calendar year 2000 as compared to the calendar year 1990, and may contain interim goals."

(2) The table of contents of such Act is amended by striking out the item for section 364 and inserting in lieu thereof the following:

"Sec. 364. State energy efficiency goals.",

(b) Definitions.—Section 366(4) of such Act (42 U.S.C. 6326(4)) is amended—

(1) by striking out "building or industrial" and inserting in lieu thereof "building, building system, energy consuming device associated with the building, or industrial";

(2) by striking out "the date of enactment of the Energy Conservation and Production Act" and inserting in lieu thereof "May 1, 1989"; and

(3) by inserting "maintain or" before "improve the efficiency" in the first sentence.

SEC. 3. REQUIRED ELEMENTS OF STATE ENERGY CONSERVATION PLAN.

(a) Plan Requirements.—Section 362(c) of the Energy Policy and Conservation Act (42 U.S.C. 6322(c)) is amended—

(1) by striking out "and" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and";

(3) by adding at the end thereof the following new paragraph: "(6) procedures for ensuring effective coordination among various local, State, and Federal energy conservation programs within the State, including any program administered within the Office of Technical and Financial Assistance of the Department of Energy and the Low Income Home Energy Assistance
Program administered by the Department of Health and Human Services.”.

(b) ADDITIONAL CONDITIONS.—Section 363 of such Act (42 U.S.C. 6323) is amended by adding at the end thereof the following new subsections:

“(d) Each State receiving Federal financial assistance pursuant to this section shall provide reasonable assurance to the Secretary that it has established policies and procedures designed to assure that Federal financial assistance under this part and under part G of this title will be used to supplement, and not to supplant, State and local funds, and to the extent practicable, to increase the amount of such funds that otherwise would be available, in the absence of such Federal financial assistance, for those programs set forth in the State energy conservation plan approved pursuant to subsection (b).

“(e)(1) Effective October 1, 1991, to be eligible for Federal financial assistance pursuant to this section, a State shall submit to the Secretary, as a supplement to its energy conservation plan, an energy emergency planning program for an energy supply disruption, as designed by the State consistent with applicable Federal and State law. The contingency plan provided for by the program shall include an implementation strategy or strategies (including regional coordination) for dealing with energy emergencies. The submission of such plan shall be for informational purposes only and without any requirement of approval by the Secretary.

“(2) Federal financial assistance made available under this part to a State may be used to develop and conduct the energy emergency planning program requirement referred to in paragraph (1).”

SEC. 4. OPTIONAL ELEMENTS OF STATE ENERGY CONSERVATION PLAN AND CONSOLIDATION OF SUPPLEMENTAL STATE ENERGY CONSERVATION PLAN.

(a) IN GENERAL.—Section 362(d) of the Energy Policy and Conservation Act (42 U.S.C. 6222(d)) is amended—

(1) by striking out paragraph (3) and inserting in lieu thereof the following:

“(3) programs to increase transportation energy efficiency, including programs to accelerate the use of alternative transportation fuels for State government vehicles, fleet vehicles, taxies, mass transit, and privately owned vehicles;”;

(2) by striking out “and” at the end of paragraph (4);

(3) by striking out paragraph (5) and inserting in lieu thereof the following:

“(5) programs for financing energy efficiency and renewable energy capital investments, projects, and programs—

“(A) which may include loan programs and performance contracting programs for leveraging of additional public and private sector funds, and programs which allow rebates, grants, or other incentives for the purchase and installation of energy efficiency and renewable energy measures; or

“(B) in addition to or in lieu of programs described in subparagraph (A), which may be used in connection with public or nonprofit buildings owned and operated by a State, a political subdivision of a State or an agency or instrumentality of a State, or an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;
"(6) programs for encouraging and for carrying out energy audits with respect to buildings and industrial facilities (including industrial processes) within the State;

"(7) programs to promote the adoption of integrated energy plans which provide for—

"(A) periodic evaluation of a State's energy needs, available energy resources (including greater energy efficiency), and energy costs; and

"(B) utilization of adequate and reliable energy supplies, including greater energy efficiency, that meet applicable safety, environmental, and policy requirements at the lowest cost;

"(8) programs to promote energy efficiency in residential housing, such as—

"(A) programs for development and promotion of energy efficiency rating systems for newly constructed housing and existing housing so that consumers can compare the energy efficiency of different housing; and

"(B) programs for the adoption of incentives for builders, utilities, and mortgage lenders to build, service, or finance energy efficient housing;

"(9) programs to identify unfair or deceptive acts or practices which relate to the implementation of energy efficiency measures and renewable resource energy measures and to educate consumers concerning such acts or practices;

"(10) programs to modify patterns of energy consumption so as to reduce peak demands for energy and improve the efficiency of energy supply systems, including electricity supply systems;

"(11) programs to promote energy efficiency as an integral component of economic development planning conducted by State, local, or other governmental entities or by energy utilities;

"(12) in accordance with subsection (g), programs to implement the Energy Technology Commercialization Services Program; and

"(13) any other appropriate method or programs to conserve and to promote efficiency in the use of energy.”

(b) ENERGY TECHNOLOGY COMMERCIALIZATION SERVICES PROGRAM.—Section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322) is amended by adding at the end thereof the following new subsection:

"(f) The purposes of this subsection are to—

"(A) strengthen State outreach programs to aid small and start-up businesses;

"(B) foster a broader application of engineering principles and techniques to energy technology products, manufacturing, and commercial production by small and start-up businesses; and

"(C) foster greater assistance to small and start-up businesses in dealing with the Federal Government on energy technology related matters.

"(2) The programs to implement the functions of the Energy Technology Commercialization Services Program, as provided for by subsection (d)(12), shall—

"(A) aid small and start-up businesses in discovering useful and practical information relating to manufacturing and
commercial production techniques and costs associated with new energy technologies;

“(B) encourage the application of such information in order to solve energy technology product development and manufacturing problems;

“(C) establish an Energy Technology Commercialization Services Program affiliated with an existing entity in each State;

“(D) coordinate engineers and manufacturers to aid small and start-up businesses in solving specific technical problems and improving the cost effectiveness of methods for manufacturing new energy technologies;

“(E) assist small and start-up businesses in preparing the technical portions of proposals seeking financial assistance for new energy technology commercialization; and

“(F) facilitate contract research between university faculty and students and small start-up businesses, in order to improve energy technology product development and independent quality control testing.

“(3) Each State energy technology commercialization services program shall develop and maintain a data base of engineering and scientific experts in energy technologies and product commercialization interested in participating in the service. Such data base shall, at a minimum, include faculty of institutions of higher education, retired manufacturing experts, and national laboratory personnel.

“(4) The services provided by the energy technology commercialization services programs established under this subsection shall be available to any small or start-up business. Such service programs shall charge fees which are affordable to a party eligible for assistance, which shall be determined by examining factors, including the following: (A) the costs of the services received; (B) the need of the recipient for the services; and (C) the ability of the recipient to pay for the services.

“(5) For the purposes of this subsection, the term—

“(A) ‘institution of higher education’ has the same meaning as such term is defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));

“(B) ‘small business’ means a private firm that does not exceed the numerical size standard promulgated by the Small Business Administration under section 3(a) of the Small Business Act (15 U.S.C. 632) for the Standard Industrial Classification (SIC) codes designated by the Secretary of Energy; and

“(C) ‘start-up business’ means a small business which has been in existence for 5 years or less.”.

(c) ELIMINATION OF SSECP.—(1) Section 367 of such Act (42 U.S.C. 6327) is repealed.

(2) The table of contents of such Act is amended by striking out the item for section 367.

SEC. 5. STATE ENERGY ADVISORY BOARD.

Section 365 of the Energy Policy and Conservation Act (42 U.S.C. 6325) is amended by adding at the end the following:

“(g)(1)(A) There is hereby established within the Department of Energy a State Energy Advisory Board (hereafter in this subsection referred to as the ‘Board’) which shall consist of at least 18 and not more than 21 members appointed by the Secretary as soon as practicable but no later than September 30, 1991. At least eight of the members of the Board shall be persons who serve as directors of
the State agency, or a division of such agency, responsible for developing State energy conservation plans pursuant to section 362. At least four members shall be directors of State or local low income weatherization assistance programs. Other members shall be appointed from persons who have experience in energy efficiency or renewable energy programs from the private sector, consumer interest groups, utilities, public utility commissions, educational institutions, financial institutions, local government energy programs, or research institutions. A majority of the members of the Board shall be State employees.

"(B)(i) Except as provided in clause (ii), the members of the Board shall serve a term of three years.

"(ii) Of the members first appointed to the Board, one-third shall serve a term of one year, one-third shall serve a term of two years, and the remainder shall serve a term of three years, as specified by the Secretary.

"(2) The Board shall—

"(A) make recommendations to the Assistant Secretary for Conservation and Renewable Energy within the Department of Energy with respect to—

"(i) the energy efficiency goals and objectives of the programs carried out under this part, part G of this title, and under part A of title IV of the Energy Conservation and Production Act; and

"(ii) programmatic and administrative policies designed to strengthen and improve the programs referred to in clause (i), including actions that should be considered to encourage non-Federal resources (including private resources) to supplement Federal financial assistance;

"(B) serve as a liaison between the States and such Department on energy efficiency and renewable energy resource programs; and

"(C) encourage transfer of the results of research and development activities carried out by the Federal Government with respect to energy efficiency and renewable energy resource technologies.

"(3) The Secretary shall designate one of the members of the Board to serve as its chairman and one to serve as its vice-chairman. The chairman and vice-chairman shall serve in those offices no longer than two years.

"(4) The Secretary shall provide the Board with such reasonable services and facilities as may be necessary for the performance of its functions.

"(5) The Board shall be nonpartisan.

"(6) The Board may adopt administrative rules and procedures and may elect one of its members secretary of the Board.

"(7) Consistent with Federal regulations, the Secretary shall reimburse members of the Board for expenses (including travel expenses) necessarily incurred by them in the performance of their duties.

"(8) The Board shall meet at least twice a year and shall submit an annual report to the Secretary and the Congress on the activities carried out by the Board in the previous fiscal year, including an accounting of the expenses reimbursed under paragraph (7) with respect to the year for which the report is made and any recommendations it may have for administrative or legislative changes.
concerning the matters referred to in subparagraphs (A), (B), and (C)
of paragraph (2).

"(9) The Board shall continue until terminated by law."

SEC. 6. ENERGY CONSERVATION PROGRAM FOR SCHOOLS AND HOSPITALS.

(a) Non-Federal Share of a Project.—Section 396(b)(1) of the
Energy Policy and Conservation Act (42 U.S.C. 6371(e)(b)(1)) is
amended by adding at the end thereof the following: "The non-
Federal share of the costs of any such energy conservation project
may be provided by using programs of innovative financing for
energy conservation projects (including, but not limited to, loan
programs and performance contracting), even if, pursuant to such
financing, clear title to the equipment does not pass to the school or
hospital until after the grant is completed."

(b) Definitions.—Section 391 of such Act (42 U.S.C. 6371) is
amended—

(1) in paragraph (1), by striking out "April 20, 1977" and
inserting in lieu thereof "May 1, 1989";

(2) in paragraph (2), by striking out "reduce energy consumption" and inserting in lieu thereof "maintain or reduce energy
consumption and reduce energy costs" in the material preceding
paragraph (A);

(3) in paragraph (2)(C), by inserting "and load management
systems" before the semicolon;

(4) in paragraph (8), by inserting "administrative facilities," after "dormitories;"; and

(5) in paragraph (17)(A), by striking out "and related cost
savings" and inserting in lieu thereof "or energy cost savings".

(c) Repeal of Educational Agency Exclusion.—Section 396(e) of
such Act (42 U.S.C. 6371(e)) is repealed.

(d) Use of Funds.—Section 396(d) of such Act (42 U.S.C. 6371(e)) is amended—

(1) by striking out "The" and inserting in lieu thereof "(1)
The"; and

(2) by adding at the end the following new paragraphs:

"(2) A State may utilize up to 100 percent of the funds provided by
the Secretary under this part for any fiscal year for program and
technical assistance and up to 50 percent of such funds for marketing
and other costs associated with leveraging of non-Federal funds
for carrying out this part and may administer a continuous and
consecutive application and award procedure for providing program
and technical assistance under this part in accordance with regula-
tions that the Secretary shall establish, if the State—

(A) has adopted a State plan in accordance with section 394,
the administration of which is in accordance with applicable
regulations; and

(B) certifies to the Secretary that not more than 15 percent
of the aggregate amount of Federal and non-Federal funds used
by the State to provide program and technical assistance, imple-
mant energy conservation measures, and otherwise carry out a
program pursuant to this part for the fiscal year concerned will
be expended for program and technical assistance and for
marketing and other costs associated with leveraging of non-
Federal funds for such program.".
SEC. 7. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS.

(a) COOLING MATERIALS.—Section 412(9) of the Energy Conservation and Production Act (42 U.S.C. 6862(9)) is amended—

(1) by striking out “and” at the end of subparagraph (F);
(2) by redesignating subparagraph (G) as subparagraph (H); and
(3) by adding after subparagraph (F) the following:

“(G) cooling efficiency modifications, including, but not limited to, replacement air-conditioners, ventilation equipment, screening, window films, and shading devices; and”.

(b) RENTAL HOUSING.—(1) Section 413(b)(2) of such Act (42 U.S.C. 6863(b)(2)) is amended—

(A) by striking out “and” at the end of subparagraph (A); and
(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

“(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) 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.”.

(2) Section 413(b) of such Act (42 U.S.C. 6863(b)) is amended by adding at the end the following:

“(5) 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) 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.”.

(c) ALLOCATION FORMULA.—Section 414 of such Act (42 U.S.C. 6864) is amended—

(1) in subsection (a)(D), by inserting “, such as the cost of heating and cooling,” after “necessary”; and
(2) by adding at the end the following:
"(c) Effective with fiscal year 1991, and annually thereafter, the Secretary shall update the population, eligible households, climatic, residential energy use, and all other data used in allocating the funds under this part among the States pursuant to subsection (a)."

(d) WAIVER OF 40-PERCENT REQUIREMENT.—Section 415(a) of such Act (42 U.S.C. 6865(a)) is amended—

(1) in the first sentence, by striking out "An average" and inserting in lieu thereof "(1) Except as provided in paragraph (2), an average";

(2) by inserting the following before the period at the end of the second sentence: "; and a State may provide in the plan adopted pursuant to subsection (b) 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"; and

(3) by adding at the end the following:

"(2XA) The Secretary shall approve a State’s application to waive the 40-percent requirement established in paragraph (1) if the State includes in its plan 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 make information on energy audit procedures and techniques available to States applying for a waiver under subparagraph (A) and shall provide training for State and local agencies in the implementation of such procedures and techniques."

(e) DWELLING UNIT LIMITATION.—Section 415(c) of such Act (42 U.S.C. 6865(c)) is amended—

(1) in paragraph (1), by striking out "The expenditure" and inserting in lieu thereof "Except as provided in paragraphs (3) and (4), the expenditure"; and

(2) by adding at the end the following:

"(3) Beginning with fiscal year 1991, the $1,600 per dwelling unit limitation provided in paragraph (1) shall be adjusted annually by increasing the limitation amount by an amount equal to—

"(A) the limitation amount for the previous fiscal year, multiplied by

"(B) the lesser of (i) the percentage increase in the Consumer Price Index (all items, United States city average) for the most recent calendar year completed before the beginning of fiscal year for which the determination is being made, or (ii) three percent."

"(4XA) In addition to the average per dwelling unit limitation applicable in a State under paragraphs (1) and (3), the Secretary shall, upon application by a State, establish a separate average per dwelling unit limitation for dwelling units in such State—

"(i) which conform to program requirements; and

"(ii) which, in addition to any other weatherization modifications, have furnace efficiency modifications made under this part."
"(B) The average per dwelling unit limitation applicable in a State to units described in subparagraph (A) shall not exceed an amount equal to—

"(i) the amount permitted for the expenditure of financial assistance for labor, weatherization materials, and related matters for dwelling units in such State under paragraphs (1) and (3), plus

"(ii) an amount determined by the State to be the average amount that is appropriate for furnace efficiency modifications of dwelling units of the type assisted under this part in such State."

(f) REPEAL OF PERFORMANCE FUND.—Section 415(d) of such Act (42 U.S.C. 6865(d)) is repealed.

(g) NON-FEDERAL FUNDING REQUIREMENT.—Section 414(b)(3) of such Act (42 U.S.C. 6864(b)(3)) is amended by striking out "and (B)" and inserting in lieu thereof the following: "(B) for using Federal financial assistance under this part to increase the portion of low-income weatherization assistance that the State obtains from non-Federal sources, including private sources, and (C)"

(h) ADDITIONAL REPORTING REQUIREMENT.—Section 421 of such Act (42 U.S.C. 6871) is amended—

(1) by striking out "through 1979"; and

(2) by adding at the end the following: "Such report shall include information and data furnished by each State on the average costs incurred in weatherization of individual dwelling units, the average size of the dwellings being weatherized, and the average income of households receiving assistance under this part."

(i) INCENTIVE PROGRAM.—Section 415 of such Act (42 U.S.C. 6865) is amended by adding at the end the following:

"(d) Beginning with fiscal year 1992, the Secretary may allocate funds appropriated pursuant to section 422(b) to provide supplementary financial assistance to those States which the Secretary determines have achieved the best performance during the previous fiscal year in achieving the purposes of this part. In making this determination, the Secretary shall—

"(1) consult with the State Energy Advisory Board established under section 365(g) of the Energy Policy and Conservation Act; and

"(2) give priority to those States which, during such previous fiscal year, obtained a significant portion of income from non-Federal sources for their weatherization programs or increased significantly the portion of low-income weatherization assistance that the State obtained from non-Federal sources.

"(e)(1)(A) Beginning with fiscal year 1992, the Secretary may allocate, from funds appropriated pursuant to section 422(b), among the States an equal amount for each State not to exceed $100,000 per State. Each State shall make available amounts received under this subsection to provide supplementary financial assistance to recipients of grants under this part that have achieved the best performance during the previous fiscal year in advancing the purposes of this part.

"(B) None of the funds made available under this subsection may be used by any State for administrative purposes.

"(2) The Secretary shall, after consulting with the State Energy Advisory Board referred to in subsection (d)(1), prescribe guidelines to be used by each State in making available supplementary finan-
cial assistance under this subsection, with a priority being given to subgrantees that, by law or through administrative or other executive action, provided non-Federal resources (including private resources) to supplement Federal financial assistance under this part during the previous fiscal year.”.

(j) CONFORMING AMENDMENT.—Section 411 of such Act (42 U.S.C. 6861) is amended to read as follows:

“FINDINGS AND PURPOSE

“Sec. 411. (a) The Congress finds that—

“(1) a fast, cost-effective, and environmentally sound way to prevent future energy shortages in the United States while reducing the Nation’s dependence on imported energy supplies, is to encourage and facilitate, through major programs, the implementation of energy conservation and renewable-resource energy measures with respect to dwelling units;

“(2) existing efforts to encourage and facilitate such measures are inadequate because—

“(A) many dwellings owned or occupied by low-income persons are energy inefficient;

“(B) low-income persons can least afford to make the modifications necessary to provide for efficient energy equipment in such dwellings and otherwise to improve the energy efficiency of such dwellings;

“(3) weatherization of such dwellings would lower shelter costs in dwellings owned or occupied by low-income persons as well as save energy and reduce future energy capacity requirements; and

“(4) States, through Community Action Agencies established under the Economic Opportunity Act of 1964 and units of general purpose local government, should be encouraged, with Federal financial and technical assistance, to develop and support coordinated weatherization programs designed to alleviate the adverse effects of energy costs on such low-income persons, to supplement other Federal programs serving such low-income persons, and to increase energy efficiency.

“(b) It is, therefore, the purpose of this part to develop and implement a weatherization assistance program to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, the handicapped, and children.”.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) STATE PLAN PROGRAM.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended to read as follows:

“(f) For the purpose of carrying out this part, there are authorized to be appropriated not to exceed $25,000,000 for fiscal year 1991, $35,000,000 for fiscal year 1992, and $45,000,000 for fiscal year 1993.”.

(b) ENERGY CONSERVATION PROGRAM FOR SCHOOLS AND HOSPITALS.—Section 397 of the Energy Policy and Conservation Act (42 U.S.C. 6371f) is amended to read as follows:
"AUTHORIZATION OF APPROPRIATIONS

"Sec. 397. For the purpose of carrying out this part, there are authorized to be appropriated not to exceed $40,000,000 for fiscal year 1991, $50,000,000 for fiscal year 1992, and $60,000,000 for fiscal year 1993.".

(c) WEATHERIZATION ASSISTANCE PROGRAM.—Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 422. (a) There are authorized to be appropriated for purposes of carrying out the weatherization program under this part, other than under subsections (d) and (e) of section 415, not to exceed $200,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992, 1993, and 1994.

(b) There are authorized to be appropriated for purposes of carrying out the weatherization program under subsections (d) and (e) of section 415, not to exceed $20,000,000 for fiscal year 1992 and such sums as may be necessary for fiscal years 1993 and 1994.".

Approved October 18, 1990.