

105TH CONGRESS
1ST SESSION

S. 1375

To promote energy conservation investments in Federal facilities, and for
other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 5, 1997

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. BUMPERS, Mr. JOHNSON, Mr. BINGAMAN, and Mr. JEFFORDS) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To promote energy conservation investments in Federal
facilities, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Energy Bank
5 Act”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds that—

8 (1) energy conservation is a cornerstone of na-
9 tional energy security policy;

1 (2) the Federal Government is the largest
2 consumer of energy in the economy of the United
3 States;

4 (3) many opportunities exist for significant en-
5 ergy cost savings within the Federal Government;
6 and

7 (4) to achieve the energy savings required by
8 Executive order, the Federal Government must make
9 significant investments in energy savings systems
10 and products, including energy management control
11 systems.

12 (b) PURPOSE.—The purpose of this Act is to promote
13 energy conservation investments in Federal facilities.

14 **SEC. 3. DEFINITIONS.**

15 In this Act:

16 (1) AGENCY.—The term “agency” means—

17 (A) an Executive agency (as defined in sec-
18 tion 105 of title 5, United States Code, except
19 that the term also includes the United States
20 Postal Service);

21 (B) Congress and any other entity in the
22 legislative branch; and

23 (C) a court and any other entity in the ju-
24 dicial branch.

1 (2) BANK.—The term “Bank” means the Fed-
2 eral Energy Bank established by section 4.

3 (3) ENERGY EFFICIENCY PROJECT.—The term
4 “energy efficiency project” means a project that as-
5 sists an agency in meeting or exceeding the energy
6 efficiency goals stated in—

7 (A) part 3 of title V of the National En-
8 ergy Conservation Policy Act (42 U.S.C. 8251
9 et seq.);

10 (B) subtitle F of title I of the Energy Pol-
11 icy Act of 1992; and

12 (C) applicable Executive orders, including
13 Executive Order Nos. 12759 and 12902.

14 (4) SECRETARY.—The term “Secretary” means
15 the Secretary of Energy.

16 (5) TOTAL UTILITY PAYMENTS.—The term
17 “total utility payments” means payments made to
18 supply electricity, natural gas, and any other form
19 of energy to provide the heating, ventilation, and air
20 conditioning, lighting, and other energy needs of an
21 agency facility.

22 **SEC. 4. ESTABLISHMENT OF BANK.**

23 (a) IN GENERAL.—There is established in the Treas-
24 ury of the United States a trust fund to be known as the
25 “Federal Energy Bank”, consisting of—

1 (1) such amounts as are appropriated to the
2 Bank under section 8;

3 (2) such amounts as are transferred to the
4 Bank under subsection (b);

5 (3) such amounts as are repaid to the Bank
6 under section 5(b)(4); and

7 (4) any interest earned on investment of
8 amounts in the Bank under subsection (c).

9 (b) TRANSFERS TO BANK.—

10 (1) IN GENERAL.—At the beginning of each of
11 fiscal years 1999, 2000, and 2001, each agency shall
12 transfer to the Secretary of the Treasury, for deposit
13 in the Bank, an amount equal to 5 percent of the
14 total utility payments paid by the agency in the pre-
15 ceding fiscal year.

16 (2) UTILITIES PAID FOR AS PART OF RENTAL
17 PAYMENTS.—The Secretary shall by regulation es-
18 tablish a formula by which the appropriate portion
19 of a rental payment that covers the cost of utilities
20 shall be considered to be a utility payment for the
21 purposes of paragraph (1).

22 (c) INVESTMENT OF FUNDS.—The Secretary of the
23 Treasury shall invest such portion of funds in the Bank
24 as is not, in the Secretary's judgment, required to meet

1 current withdrawals. Investments may be made only in in-
2 terest-bearing obligations of the United States.

3 **SEC. 5. LOANS FROM THE BANK.**

4 (a) IN GENERAL.—The Secretary of the Treasury
5 shall transfer from the Bank to the Secretary such
6 amounts as are appropriated to carry out the loan pro-
7 gram under subsection (b).

8 (b) LOAN PROGRAM.—

9 (1) IN GENERAL.—In accordance with section
10 6, the Secretary shall establish a program to loan
11 amounts from the Bank to any agency that submits
12 an application satisfactory to the Secretary in order
13 to finance an energy efficiency project.

14 (2) PERFORMANCE CONTRACTING FUNDING.—
15 To the extent practicable, an agency shall not sub-
16 mit a project for which performance contracting
17 funding is available.

18 (3) PURPOSES OF LOAN.—

19 (A) IN GENERAL.—A loan under this sec-
20 tion may be made to pay the costs of—

21 (i) an energy efficiency project; or

22 (ii) development and administration of
23 a performance contract.

24 (B) LIMITATION.—An agency may use not
25 more than 15 percent of the amount of a loan

1 under subparagraph (A)(i) to pay the costs of
2 administration and proposal development (in-
3 cluding data collection and energy surveys).

4 (4) REPAYMENTS.—

5 (A) IN GENERAL.—An agency shall repay
6 to the Bank the principal amount of the energy
7 efficiency project loan plus interest at a rate de-
8 termined by the President, in consultation with
9 the Secretary and the Secretary of the Treas-
10 ury.

11 (B) WAIVER.—The Secretary may waive
12 the requirement of subparagraph (A) if the Sec-
13 retary determines that payment of interest by
14 an agency is not required to sustain the needs
15 of the Bank in making energy efficiency project
16 loans.

17 (5) AGENCY ENERGY BUDGETS.—Until a loan
18 is repaid, an agency budget submitted to Congress
19 for a fiscal year shall not be reduced by the value
20 of energy savings accrued as a result of the energy
21 conservation measure implemented with funds from
22 the Bank.

23 (6) AVAILABILITY OF FUNDS.—An agency shall
24 not rescind or reprogram funds made available by
25 this Act. Funds loaned to an agency shall be re-

1 tained by the agency until expended, without regard
2 to fiscal year limitation.

3 **SEC. 6. SELECTION CRITERIA.**

4 (a) IN GENERAL.—The Secretary shall establish cri-
5 teria for the selection of energy efficiency projects to be
6 awarded loans in accordance with subsection (b).

7 (b) SELECTION CRITERIA.—The Secretary may make
8 loans only for energy efficiency projects that—

9 (1) are technically feasible;

10 (2) are determined to be cost-effective using life
11 cycle cost methods established by the Secretary by
12 regulation;

13 (3) include a measurement and management
14 component to—

15 (A) commission energy savings for new
16 Federal facilities; and

17 (B) monitor and improve energy efficiency
18 management at existing Federal facilities; and

19 (4) have a project payback period of 3 years or
20 less.

21 **SEC. 7. REPORTS AND AUDITS.**

22 (a) REPORTS TO THE SECRETARY.—Not later than
23 1 year after the installation of an energy efficiency project
24 that has a total cost of more than \$1,000,000, and each

1 year thereafter, an agency shall submit to the Secretary
2 a report that—

3 (1) states whether the project meets or fails to
4 meet the energy savings projections for the project;
5 and

6 (2) for each project that fails to meet the sav-
7 ings projections, states the reasons for the failure
8 and describes proposed remedies.

9 (b) AUDITS.—The Secretary may audit any energy
10 efficiency project financed with funding from the Bank to
11 assess the project’s performance.

12 (c) REPORTS TO CONGRESS.—At the end of each fis-
13 cal year, the Secretary shall submit to Congress a report
14 on the operations of the Bank, including a statement of
15 the total receipts into the Bank, and the total expenditures
16 from the Bank to each agency.

17 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

18 There are authorized to be appropriated such sums
19 as are necessary to carry out this Act.

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