

112TH CONGRESS
2D SESSION

H. R. 4230

To provide for the establishment of a Home Energy Savings Retrofit Rebate Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2012

Mr. MCKINLEY (for himself and Mr. WELCH) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the establishment of a Home Energy Savings Retrofit Rebate Program, 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 “Home Owner Man-
5 aging Energy Savings Act of 2012” or the “HOMES
6 Act”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

1 (1) BPI.—The term “BPI” means the Building
2 Performance Institute.

3 (2) CERTIFIED WORKFORCE.—The term “cer-
4 tified workforce” means a residential energy effi-
5 ciency construction workforce in which all auditors,
6 installers, crew leaders, and quality assurance in-
7 spectors performing work relating to retrofit activi-
8 ties with respect to which rebates are sought under
9 this Act are certified—

10 (A) by a certifying body recognized by the
11 National Renewal Energy Laboratory’s Guide-
12 lines for Home Energy Professionals program;
13 or

14 (B) under—

15 (i) an applicable third party skills
16 standard established by—

17 (I) the BPI;

18 (II) RESNET Energy Smart
19 Home Performance Team;

20 (III) North American Technician
21 Excellence; or

22 (IV) the Laborers’ International
23 Union of North America; or

1 (ii) other standards approved by the
2 Secretary, in consultation with the Sec-
3 retary of Labor.

4 (3) ELECTRIC UTILITY.—The term “electric
5 utility” means any company, person, cooperative,
6 State, or Indian tribe agency that delivers or sells
7 electric energy at retail, including nonregulated utili-
8 ties, utilities that are subject to State or Indian tribe
9 rate regulation, and Federal power marketing ad-
10 ministrations.

11 (4) FEDERAL REBATE PROCESSING SYSTEM.—
12 The term “Federal Rebate Processing System”
13 means the Federal Rebate Processing System estab-
14 lished under section 3(b).

15 (5) HOME.—The term “home” means a prin-
16 cipal residential dwelling unit in a building with no
17 more than 4 dwelling units that—

18 (A) is located in the United States; and

19 (B) was constructed before the date of en-
20 actment of this Act.

21 (6) HOME ENERGY SAVINGS RETROFIT REBATE
22 PROGRAM.—The term “Home Energy Savings Ret-
23 rofit Rebate Program” means the Home Energy
24 Savings Retrofit Rebate Program established under
25 section 3(a).

1 (7) HOMEOWNER.—The term “homeowner”
2 means the owner of an owner-occupied home or a
3 tenant-occupied home.

4 (8) INDIAN TRIBE.—The term “Indian tribe”
5 has the meaning given the term in section 4 of the
6 Indian Self-Determination and Education Assistance
7 Act (25 U.S.C. 450b).

8 (9) NATURAL GAS UTILITY.—The term “nat-
9 ural gas utility” means any company, person, coop-
10 erative, State or local governmental agency or in-
11 strumentality, or Indian tribe that transports, dis-
12 tributes, or sells natural gas at retail.

13 (10) QUALIFIED CONTRACTOR.—The term
14 “qualified contractor” means a residential energy ef-
15 ficiency contractor that meets minimum applicable
16 requirements established under section 4.

17 (11) QUALIFIED HOME ENERGY EFFICIENCY
18 RETROFIT.—The term “qualified home energy effi-
19 ciency retrofit” means a retrofit described in section
20 8(d).

21 (12) QUALITY ASSURANCE PROGRAM.—

22 (A) IN GENERAL.—The term “quality as-
23 surance program” means a program established
24 under this Act, or recognized by the Secretary
25 under this Act, to oversee the delivery of home

1 efficiency retrofit programs to ensure that work
2 is performed in accordance with standards and
3 criteria established under this Act.

4 (B) INCLUSIONS.—For purposes of sub-
5 paragraph (A), delivery of retrofit programs in-
6 cludes delivery of quality assurance reviews of
7 rebate applications and field inspections.

8 (13) QUALITY ASSURANCE PROVIDER.—The
9 term “quality assurance provider” means any entity
10 that meets the minimum applicable requirements es-
11 tablished under section 6(b).

12 (14) REBATE AGGREGATOR.—The term “rebate
13 aggregator” means an entity that meets the require-
14 ments of section 5.

15 (15) RESNET.—The term “RESNET” means
16 the Residential Energy Services Network, which is a
17 nonprofit certification and standard setting organi-
18 zation for home energy raters that evaluate the en-
19 ergy performance of a home and Energy Smart Con-
20 tractors that make energy improvements to the
21 home.

22 (16) SECRETARY.—The term “Secretary”
23 means the Secretary of Energy.

24 (17) STATE.—The term “State” means—

25 (A) a State;

- 1 (B) the District of Columbia;
2 (C) the Commonwealth of Puerto Rico;
3 (D) Guam;
4 (E) American Samoa;
5 (F) the Commonwealth of the Northern
6 Mariana Islands;
7 (G) the United States Virgin Islands; and
8 (H) any other territory or possession of the
9 United States.

10 **SEC. 3. HOME ENERGY SAVINGS RETROFIT REBATE PRO-**
11 **GRAM.**

12 (a) IN GENERAL.—The Secretary shall establish the
13 Home Energy Savings Retrofit Rebate Program.

14 (b) FEDERAL REBATE PROCESSING SYSTEM.—

15 (1) IN GENERAL.—Not later than 180 days
16 after the date of enactment of this Act, the Sec-
17 retary, in consultation with the Secretary of the
18 Treasury, shall—

19 (A) establish a Federal Rebate Processing
20 System which shall serve as a database and in-
21 formation technology system that will allow re-
22 bate aggregators to submit claims for reim-
23 bursement using standard data protocols;

1 (B) establish a national retrofit Web site
2 that provides information on the Home Energy
3 Savings Retrofit Rebate Program, including—

4 (i) how to determine whether par-
5 ticular efficiency measures are eligible for
6 rebates; and

7 (ii) how to participate in the program;
8 and

9 (C) make available, on a designated Web
10 site, model forms for demonstrating compliance
11 with all applicable requirements of this Act,
12 which shall be required to be submitted by—

13 (i) each qualified contractor on com-
14 pletion of an eligible home energy retrofit;
15 and

16 (ii) each quality assurance provider on
17 completion of field verification.

18 (2) MODEL FORMS.—In carrying out paragraph
19 (1)(C), the Secretary shall consider the model forms
20 developed by the National Home Performance Coun-
21 cil, Inc. If the Secretary does not adopt these forms,
22 the Secretary shall convene a group of stakeholders,
23 including the National Home Performance Council,
24 Inc., to develop the final forms.

1 **SEC. 4. CONTRACTORS.**

2 (a) CONTRACTOR QUALIFICATIONS.—A contractor
3 may perform retrofit work under the Home Energy Sav-
4 ings Retrofit Rebate Program in a State for which rebates
5 are provided under this Act only if the contractor—

6 (1) meets all applicable contractor licensing re-
7 quirements established by the State;

8 (2) is—

9 (A) accredited by the BPI or a preexisting
10 BPI accreditation-based State certification pro-
11 gram with enhancements to achieve State en-
12 ergy policy;

13 (B) a RESNET accredited Energy Smart
14 Home Performance Team; or

15 (C) accredited by an equivalent certifi-
16 cation program approved by the Secretary for
17 this purpose;

18 (3) holds insurance coverage of at least
19 \$1,000,000 for general liability, and for such other
20 purposes and in such other amounts as required by
21 the State;

22 (4) provides warranties to the homeowner that
23 completed work will—

24 (A) be free of significant defects;

25 (B) be installed in accordance with the
26 specifications of the manufacturer, and all ap-

1 applicable State and local building and mechanical
2 codes;

3 (C) perform properly for a period of at
4 least 1 year after the date of completion of the
5 work; and

6 (D) warrant such other actions or results
7 as determined appropriate by the Secretary;
8 and

9 (5) hires and retains a certified workforce for
10 projects performed under this Act.

11 (b) AGREEMENT BETWEEN CONTRACTOR AND HOME
12 OWNER.—A contractor who performs retrofit work under
13 the Home Energy Savings Retrofit Rebate Program must
14 sign a written contract with the homeowner that in-
15 cludes—

16 (1) an agreement to not increase the cost of the
17 home improvement as a result of the rebates re-
18 ceived under this Act with respect to the home; and

19 (2) if the contractor and homeowner choose the
20 transferable rebate option authorized under section
21 7, an agreement to provide the homeowner, before a
22 contract is executed between the contractor and the
23 homeowner covering the eligible work, a notice of the
24 rebate amount the contractor intends to apply for
25 with respect to eligible work under this Act.

1 **SEC. 5. REBATE AGGREGATORS.**

2 (a) IN GENERAL.—The Secretary shall develop a net-
3 work of rebate aggregators or a national rebate aggregator
4 that can facilitate the delivery of rebates to participating
5 homeowners or contractors by—

6 (1) reviewing the proposed rebate application
7 for completeness and accuracy;

8 (2) reviewing measures for eligibility in accord-
9 ance with this Act;

10 (3) providing data to the Federal Rebate Proc-
11 essing System consistent with data protocols estab-
12 lished by the Secretary; and

13 (4) as soon as practicable but not later than 30
14 days after the date of receipt, distributing funds re-
15 ceived from the Department of Energy to home-
16 owners or contractors.

17 (b) ELIGIBILITY.—To be eligible to apply to the Sec-
18 retary for approval as a rebate aggregator, an entity shall
19 be—

20 (1) a Home Performance with Energy Star pro-
21 gram sponsor;

22 (2) an entity administering a residential energy
23 efficiency retrofit program established or approved
24 by a State;

25 (3) a Federal power marketing administration,
26 an electric utility, or a natural gas utility that has—

1 (A) a residential energy efficiency retrofit
2 program; and

3 (B) a quality assurance provider network;
4 or

5 (4) an entity that demonstrates to the Sec-
6 retary that the entity can perform the functions of
7 a rebate aggregator, without disrupting existing resi-
8 dential retrofits in the States that are incorporating
9 the Home Energy Savings Retrofit Rebate Program,
10 including demonstration of—

11 (A) the capability to provide electronic
12 data to the Federal Rebate Processing System;

13 (B) a financial system that is capable of
14 tracking the distribution of rebates to partici-
15 pating contractors; and

16 (C) coordination and cooperation by the
17 entity with the appropriate State energy office
18 regarding participation in the existing energy
19 efficiency programs that will be delivering the
20 Home Energy Savings Retrofit Rebate Pro-
21 gram.

22 (c) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
23 GETS.—The Secretary shall—

24 (1) develop guidelines for States to use to allow
25 utilities participating as rebate aggregators to count

1 the energy savings from the participation of the util-
2 ities toward State level energy savings targets; and
3 (2) work with States to assist in the adoption
4 of those guidelines for the purposes and duration of
5 the Home Energy Savings Retrofit Rebate Program.

6 **SEC. 6. QUALITY ASSURANCE PROVIDERS.**

7 (a) QUALIFICATIONS.—An entity shall be considered
8 a quality assurance provider under this Act only if the en-
9 tity is qualified through—

- 10 (1) the BPI;
11 (2) RESNET; or
12 (3) any other entity designated by the Secretary
13 such as a State or State-approved residential energy
14 efficiency retrofit program.

15 (b) FUNCTIONS.—A quality assurance provider
16 shall—

- 17 (1) be independent of the contractor;
18 (2) confirm that contractors or installers of
19 home energy efficiency retrofits meet the qualifica-
20 tion requirements of this Act according to the stand-
21 ard work specification guidelines established by the
22 National Renewable Energy Laboratory of the De-
23 partment of Energy; and
24 (3) perform field inspections and other meas-
25 ures required to confirm the compliance of the ret-

1 retrofit work and the simulated energy savings under
2 the Home Energy Savings Retrofit Rebate Program,
3 based on the requirements of this Act.

4 **SEC. 7. TRANSFERABILITY OF HOME ENERGY SAVINGS RE-**
5 **BATE.**

6 A homeowner may transfer the rebate provided under
7 the Home Energy Savings Retrofit Rebate Program to the
8 contractor performing the retrofit work if the contractor
9 completes a form that accompanies the rebate form devel-
10 oped under section 3(b). This form, to be made publically
11 available by the Secretary 90 days after the date of enact-
12 ment of this Act, must be signed by the homeowner and
13 include—

14 (1) the amount of the rebate the contractor will
15 submit for disbursement to the contractor;

16 (2) the level of energy use reduction of the
17 home retrofit certified under section 8(e)(4), and as-
18 surance that the contractor will provide the certifi-
19 cate to the homeowner within 30 days of receipt
20 from the Department of Energy;

21 (3) a documentation report of the retrofit per-
22 formed and paid by the homeowner; and

23 (4) confirmation from the homeowner that they
24 understand they have the right to submit directly for

1 the rebate and have chosen to transfer the credit in
2 full to the contractor.

3 **SEC. 8. HOME ENERGY SAVINGS RETROFIT REBATE PRO-**
4 **GRAM.**

5 (a) IN GENERAL.—If a qualified home energy effi-
6 ciency retrofit of a home is carried out after January 1,
7 2013, by a qualified contractor in accordance with this
8 section, rebates shall be awarded for retrofits that achieve
9 home energy savings in accordance with this Act.

10 (b) AMOUNT OF REBATES.—

11 (1) IN GENERAL.—Subject to subsection (e),
12 the amount of a rebate provided to the owner of a
13 home or a designee of the owner under this section
14 shall be—

15 (A) \$2,000 for a 20–24 percent reduction
16 in home energy use;

17 (B) \$3,000 for a 25–29 percent reduction
18 in home energy use;

19 (C) \$4,000 for a 30–34 percent reduction
20 in home energy use;

21 (D) \$5,000 for a 35–39 percent reduction
22 in home energy use;

23 (E) \$6,000 for a 40–44 percent reduction
24 in home energy use;

1 (F) \$7,000 for a 45–49 percent reduction
2 in home energy use; and

3 (G) \$8,000 for a 50 percent or more re-
4 duction in home energy use.

5 (2) REBATE PAYMENT.—

6 (A) IN GENERAL.—The rebate shall be
7 paid, based on energy savings as calculated
8 under subsection (e), within 60 days after—

9 (i) submission of the required rebate
10 forms; and

11 (ii) the completion of any quality as-
12 surance assessment required under sub-
13 paragraph (B).

14 (B) QUALITY ASSURANCE ASSESSMENTS.—

15 The Secretary shall establish a schedule of re-
16 quired quality assurance assessments. In the
17 first year of the program, all homes shall be re-
18 quired to have a quality assurance assessment.

19 The Secretary shall establish a cost effective
20 schedule of required quality assurance assess-
21 ments for subsequent years based on perform-
22 ance under the program.

23 (3) LIMITATION.—In no event shall the amount
24 of rebates under this subsection exceed—

1 (A) \$10,000 with respect to any individual;

2 or

3 (B) 50 percent of the qualified home en-
4 ergy efficiency expenditures paid or incurred by
5 the homeowner under subsection (c).

6 (c) QUALIFIED HOME ENERGY EFFICIENCY EX-
7 PENDITURES.—For purposes of this section, the term
8 “qualified home energy efficiency expenditures”—

9 (1) means any amount paid or incurred by a
10 homeowner for a qualified home energy efficiency
11 retrofit, including the cost of diagnostic procedures,
12 labor, and modeling; and

13 (2) does not include—

14 (A) improvements to swimming pools or
15 hot tubs; or

16 (B) any amount paid or incurred to pur-
17 chase or install a biomass, wood, or wood pellet
18 furnace, boiler, or stove, unless the system—

19 (i) is designed to meet at least 70 per-
20 cent of the heating demands of the home;

21 (ii) in the case of woodstoves, is cer-
22 tified by the Environmental Protection
23 Agency;

24 (iii) in the case of a wood stove re-
25 placement, replaces an existing wood stove

1 with a stove that is certified by the Envi-
2 ronmental Protection Agency, if a voucher
3 is provided by the installer or other respon-
4 sible party certifying that the old stove has
5 been removed and made inoperable;

6 (iv) in the case of a furnace or boiler,
7 is in a home with a distribution system
8 (such as piping, ducts, vents, blowers, or
9 affixed fans) that allows heat from the fur-
10 nace or boiler to reach all or most parts of
11 the home; and

12 (v) is certified by an independent test
13 laboratory approved by the Secretary as
14 having—

15 (I) thermal efficiency (with a
16 high heating value) of at least 75 per-
17 cent for stoves and 80 percent for fur-
18 naces and boilers;

19 (II) particulate emissions of less
20 than 3.0 grams per hour for wood
21 stoves or pellet stoves; and

22 (III) less than 0.07 lbs per mil-
23 lion BTU for outdoor boilers and fur-
24 naces.

1 (d) QUALIFIED HOME ENERGY EFFICIENCY RET-
2 ROFIT.—

3 (1) IN GENERAL.—A qualified home energy ef-
4 ficiency retrofit is a retrofit that implements meas-
5 ures, during a rebate-eligible year in the existing
6 principal residence of the homeowner which is lo-
7 cated in the United States, intended to reduce the
8 energy use of such residence. A qualified home en-
9 ergy efficiency retrofit shall—

10 (A) be implemented and installed by a
11 qualified contractor;

12 (B) install a set of measures modeled to
13 achieve a reduction in home energy use of 20
14 percent or more from the baseline established
15 under subparagraph (C), using computer mod-
16 eling software approved under paragraph (2);

17 (C) establish the baseline energy use as
18 provided in subsection (e)(1)(C);

19 (D) implement a test-out procedure, fol-
20 lowing guidelines of the applicable accrediting
21 program described in section 4(a)(2) (A), (B),
22 or (C), or equivalent guidelines approved by the
23 Secretary for this purpose, to ensure—

24 (i) the safe operation of all systems
25 post retrofit; and

1 (ii) that all improvements are included
2 in, and have been installed according to—

3 (I) standards of the applicable
4 accrediting program described in sec-
5 tion 4(a)(2) (A), (B), or (C);

6 (II) manufacturers installation
7 specifications; and

8 (III) all applicable State and
9 local building and mechanical codes or
10 equivalent standards approved by the
11 Secretary for this purpose;

12 (E) include only measures that have an av-
13 erage estimated life of 5 years or more as deter-
14 mined by the Secretary;

15 (F) not include any amount which is paid
16 or incurred in connection with any expansion of
17 the building envelope of the residence; and

18 (G) not include improvements to swimming
19 pools or hot tubs or any other expenditure spe-
20 cifically excluded by the Secretary.

21 (2) APPROVED MODELING SOFTWARE.—The
22 contractor shall use modeling software certified by
23 RESNET as following the software verification test
24 suites in section 4.2.1 of RESNET Publication No.
25 06–001, or under equivalent standards approved by

1 the Secretary for this purpose, and shall have the
2 ability at a minimum to assess the savings associ-
3 ated with all the measures for Home Energy Savings
4 Retrofit Rebate Program.

5 (e) ENERGY USE REDUCTION.—

6 (1) DETERMINATION OF ENERGY USE REDUC-
7 TION.—

8 (A) IN GENERAL.—The reduction in en-
9 ergy use for any residence shall be determined
10 by modeling the annual predicted percentage re-
11 duction in total energy costs for heating, cool-
12 ing, hot water, and permanent lighting. It shall
13 be modeled using computer modeling software
14 approved under subsection (d)(2) and calibrated
15 according to subparagraph (C) of this para-
16 graph.

17 (B) ENERGY COSTS.—For the purposes of
18 subparagraph (A), the energy cost per unit of
19 fuel for each fuel type shall be determined by
20 dividing the total actual energy bill (subtracting
21 taxes and fees) for the residence for that fuel
22 type for the most recent available 12-month pe-
23 riod by the total energy units of that fuel type
24 used over the same period.

1 (C) BASELINE ENERGY USE.—For the
2 purposes of subparagraph (A), the software
3 model that establishes the baseline energy use
4 and predicted energy savings shall be calibrated
5 according to the procedures set forth in sections
6 3 and 4 of BPI Standard BPI-2400-S-2011:
7 Standardized Qualification of Whole House En-
8 ergy Savings Estimates, or an equivalent stand-
9 ard approved by the Secretary for this purpose.

10 (2) DOCUMENTATION.—The percent improve-
11 ment in energy consumption calculated under this
12 section shall be documented through modeling soft-
13 ware described in subsection (d)(2).

14 (3) MONITORING.—The Secretary—

15 (A) shall periodically evaluate the software
16 packages used for determining rebates under
17 this section;

18 (B) shall monitor and compare the pre-
19 dictions to the real energy data, and based on
20 the results, create performance criteria to allow
21 or disallow the software; and

22 (C) may disallow the use of software pro-
23 grams that improperly assess energy savings.

24 (4) CERTIFICATE OF RETROFIT PERFORM-
25 ANCE.—The Secretary shall establish a system for

1 distribution of a certificate of performance with the
2 issuance of a rebate that certifies the level of energy
3 use reduction achieved by the retrofit. The certifi-
4 cate will be provided to the rebate recipient. If the
5 recipient is the contractor under the terms of section
6 7, the contractor shall remit the certificate to the
7 homeowner, to be postmarked not later than 30 days
8 after the contractor's receipt of the certificate.

9 (5) EXCEPTION.—The Secretary shall not uti-
10 lize the authority provided under this Act to—

11 (A) develop, adopt, or implement a public
12 labeling system that rates and compares the en-
13 ergy performance of one home with another; or

14 (B) require the public disclosure of an en-
15 ergy performance evaluation or rating developed
16 for any specific home.

17 Nothing in this paragraph shall preclude the com-
18 putation, collection, or use, by the Secretary, rebate
19 aggregators, or quality assurance providers, or the
20 States or Indian tribes, for the purposes of gath-
21 ering information on the rating and comparison of
22 the energy performance of homes with and without
23 energy efficiency retrofits.

24 (f) QUALIFICATION FOR REBATE.—On submission of
25 a claim for a retrofit rebate by a rebate aggregator to the

1 system established under section 5, the Secretary shall
2 provide reimbursement to the rebate aggregator, if—

3 (1) the retrofit is a qualified home energy effi-
4 ciency retrofit;

5 (2) the amount of the reimbursement is not
6 more than the amount described in subsection (b);

7 (3) documentation required to verify the claim
8 is transmitted with the claim; and

9 (4) any quality assurance assessment required
10 under subsection (b)(2)(B) has been completed.

11 (g) HOMEOWNER COMPLAINTS.—

12 (1) IN GENERAL.—A homeowner may make a
13 complaint under the quality assurance program dur-
14 ing the 1-year warranty period that compliance with
15 the quality assurance requirements of this section
16 has not been achieved.

17 (2) VERIFICATION.—

18 (A) IN GENERAL.—The quality assurance
19 program shall provide that, on receiving a com-
20 plaint under paragraph (1), an independent
21 quality assurance provider shall conduct field
22 verification on the retrofit work performed by
23 the contractor.

1 (B) ADMINISTRATION.—A verification
2 under this paragraph shall be corrected in ac-
3 cordance with subsection (f)(4).

4 (h) AUDITS.—

5 (1) IN GENERAL.—On making payment for a
6 submission under this section, the Secretary shall re-
7 view rebate requests to determine whether program
8 requirements were met in all respects.

9 (2) INCORRECT PAYMENT.—On a determination
10 of the Secretary under paragraph (1) that a pay-
11 ment was made incorrectly to a party, the Secretary
12 may—

13 (A) recoup the amount of the incorrect
14 payment; or

15 (B) withhold the amount of the incorrect
16 payment from the next payment made to the
17 party pursuant to a subsequent request.

18 (i) INCENTIVES.—The amount of incentives that the
19 Secretary may provide to quality assurance providers and
20 rebate aggregators under this Act shall be—

21 (1) \$25 for each rebate review and submission
22 provided under the program;

23 (2) \$250 for each field inspection conducted
24 under the program; or

1 (3) such other amounts as the Secretary con-
2 siders necessary to carry out the quality assurance
3 provisions of this Act.

4 **SEC. 9. GRANTS TO STATES AND INDIAN TRIBES.**

5 (a) IN GENERAL.—A State or Indian tribe that re-
6 ceives a grant under subsection (d) shall use the grant
7 for—

8 (1) administrative costs;

9 (2) oversight of quality assurance plans;

10 (3) development of a quality assurance pro-
11 gram;

12 (4) establishment and delivery of financing pi-
13 lots in accordance with this Act;

14 (5) coordination with existing residential ret-
15 rofit programs and infrastructure development to as-
16 sist deployment of the Home Energy Savings Ret-
17 rofit Rebate Program; and

18 (6) the costs of carrying out the responsibilities
19 of the State or Indian tribe under the Home Energy
20 Savings Retrofit Rebate Program.

21 (b) INITIAL GRANTS.—Not later than 60 days after
22 receipt of a completed application for a grant under this
23 section, the Secretary shall either make the grant or pro-
24 vide to the applicant an explanation for denying the grant.

1 (c) INDIAN TRIBES.—The Secretary shall reserve an
2 appropriate amount of funding to be made available to
3 carry out this section for each fiscal year to make grants
4 available to Indian tribes under this section.

5 (d) STATE ALLOTMENTS.—From the amounts made
6 available to carry out this section for each fiscal year re-
7 maining after the reservation required under subsection
8 (c), the Secretary shall make grants available to States
9 in accordance with section 15.

10 (e) QUALITY ASSURANCE PROGRAMS.—

11 (1) IN GENERAL.—A State or Indian tribe may
12 use a grant made under this section to carry out a
13 quality assurance program that is—

14 (A) operated as part of a State energy con-
15 servation plan established under part D of title
16 III of the Energy Policy and Conservation Act
17 (42 U.S.C. 6321 et seq.);

18 (B) managed by the office or the designee
19 of the office that is—

20 (i) responsible for the development of
21 the plan under section 362 of that Act (42
22 U.S.C. 6322); and

23 (ii) to the maximum extent practicable
24 conducting an existing energy efficiency
25 program; and

1 (C) in the case of a grant made to an In-
2 dian tribe, managed by an entity designated by
3 the Indian tribe to carry out a quality assur-
4 ance program or a national quality assurance
5 program manager.

6 (2) NONCOMPLIANCE.—If the Secretary deter-
7 mines that a State or Indian tribe has not provided
8 or cannot provide adequate oversight over a quality
9 assurance program to ensure compliance with this
10 Act, the Secretary may—

11 (A) withhold further quality assurance
12 funds from the State or Indian tribe; and

13 (B) require that quality assurance pro-
14 viders operating in the State or by the Indian
15 tribe be overseen by a national quality assur-
16 ance program manager selected by the Sec-
17 retary.

18 (f) IMPLEMENTATION.—A State or Indian tribe that
19 receives a grant under this section may implement a qual-
20 ity assurance program through the State, the Indian tribe,
21 or a third party designated by the State or Indian tribe,
22 including—

23 (1) an energy service company;

24 (2) an electric utility;

25 (3) a natural gas utility;

1 (4) a third-party administrator designated by
2 the State or Indian tribe; or

3 (5) a unit of local government.

4 (g) PUBLIC-PRIVATE PARTNERSHIPS.—A State or
5 Indian tribe that receives a grant under this section is en-
6 couraged to form partnerships with utilities, energy serv-
7 ice companies, and other entities—

8 (1) to assist in marketing a program;

9 (2) to facilitate consumer financing;

10 (3) to assist in implementation of the Home
11 Energy Savings Retrofit Rebate Program, including
12 installation of qualified home energy efficiency retro-
13 fits; and

14 (4) to assist in implementing quality assurance
15 programs.

16 (h) COORDINATION OF REBATE AND EXISTING
17 STATE-SPONSORED PROGRAMS.—

18 (1) IN GENERAL.—A State or Indian tribe
19 shall, to the maximum extent practicable, prevent
20 duplication through coordination of a program au-
21 thorized under this Act with—

22 (A) the Energy Star appliance rebates pro-
23 gram authorized under the American Recovery
24 and Reinvestment Act of 2009 (Public Law
25 111–5; 123; Stat. 115); and

1 (B) comparable programs planned or oper-
2 ated by States, political subdivisions, electric
3 and natural gas utilities, Federal power mar-
4 keting administrations, and Indian tribes.

5 (2) EXISTING PROGRAMS.—In carrying out this
6 subsection, a State or Indian tribe shall—

7 (A) give priority to—

8 (i) comprehensive retrofit programs in
9 existence on the date of enactment of this
10 Act, including programs under the super-
11 vision of State utility regulators; and

12 (ii) using funds made available under
13 this Act to enhance and extend existing
14 programs; and

15 (B) seek to enhance and extend existing
16 programs by coordinating with administrators
17 of the programs.

18 **SEC. 10. QUALITY ASSURANCE PROGRAM.**

19 (a) IN GENERAL.—As part of a grant application de-
20 scribed in section 9(b), a State or Indian tribe shall submit
21 to the Secretary a plan to implement a quality assurance
22 program that covers all federally assisted residential effi-
23 ciency retrofit work administered, supervised, or spon-
24 sored by the State or Indian tribe.

1 (b) IMPLEMENTATION.—The State or Indian tribe
2 shall—

3 (1) develop a quality assurance program in con-
4 sultation with industry stakeholders, including rep-
5 resentatives of efficiency program managers, con-
6 tractors, and environmental, energy efficiency, and
7 labor organizations; and

8 (2) implement the quality assurance program
9 not later than 180 days after receipt of a grant
10 under section 9.

11 (c) COMPONENTS.—The quality assurance program
12 established under this section shall include—

13 (1) maintenance of a list of qualified contrac-
14 tors authorized to perform such retrofit work as de-
15 scribed in section 4;

16 (2) targets and realistic plans for—

17 (A) the recruitment of small minority-
18 owned or women-owned business enterprises;
19 and

20 (B) the employment of graduates of train-
21 ing programs that primarily serve low-income
22 populations with a median income that is below
23 200 percent of the poverty line (as defined in
24 section 673(2) of the Community Services
25 Block Grant Act (42 U.S.C. 9902(2)), including

1 any revision required by that section) by par-
2 ticipating contractors; and

3 (3) a plan to link workforce training for home
4 energy efficiency retrofits with training for the
5 broader range of skills and occupations in construc-
6 tion or emerging clean energy industries.

7 (d) NONCOMPLIANCE.—If the Secretary determines
8 that a State or Indian tribe has not taken the steps re-
9 quired under this section, the Secretary shall provide to
10 the State or Indian tribe a period of at least 90 days to
11 comply before suspending the participation of the State
12 or Indian tribe in the program.

13 **SEC. 11. EVALUATION REPORT TO CONGRESS.**

14 (a) IN GENERAL.—Not later than 1 year after the
15 date of enactment of this Act and annually thereafter until
16 the termination of the program under this Act, the Sec-
17 retary shall submit to the Committee on Energy and Nat-
18 ural Resources of the Senate and the Committee on En-
19 ergy and Commerce of the House of Representatives a re-
20 port on the use of funds under this Act.

21 (b) CONTENTS.—The report submitted under sub-
22 section (a) shall evaluate—

23 (1) how many eligible participants have partici-
24 pated in the program;

1 (2) how many jobs have been created through
2 the program, directly and indirectly;

3 (3) what steps could be taken to promote fur-
4 ther deployment of energy efficiency and renewable
5 energy retrofits;

6 (4) the quantity of verifiable energy savings,
7 homeowner energy bill savings, and other benefits of
8 the program;

9 (5) any waste, fraud, or abuse with respect to
10 such funds; and

11 (6) any other information the Secretary con-
12 siders appropriate.

13 (c) NONCOMPLIANCE.—The Secretary shall require
14 rebate aggregators, States, and Indian tribes to provide
15 the information required to enable the Secretary to carry
16 out this section. If the Secretary determines that a rebate
17 aggregator, State, or Indian tribe has not provided such
18 information on a timely basis, the Secretary shall provide
19 to the rebate aggregator, State, or Indian tribe a period
20 of at least 90 days to provide any necessary information,
21 subject to withholding of funds or reduction of future
22 grant amounts, or decertification of rebate aggregators.

23 **SEC. 12. ADMINISTRATION.**

24 (a) IN GENERAL.—Subject to section 15(b), not later
25 than 30 days after the date of enactment of this Act, the

1 Secretary shall provide such administrative and technical
2 support to rebate aggregators, States, and Indian tribes
3 as is necessary to carry out this Act.

4 (b) APPOINTMENT OF PERSONNEL.—Notwith-
5 standing the provisions of title 5, United States Code, gov-
6 erning appointments in the competitive service and Gen-
7 eral Schedule classifications and pay rates, the Secretary
8 may appoint such professional and administrative per-
9 sonnel as the Secretary considers necessary to carry out
10 this Act.

11 (c) RATE OF PAY.—The rate of pay for a person ap-
12 pointed under subsection (b) shall not exceed the max-
13 imum rate payable for GS–15 of the General Schedule
14 under chapter 53 of title 5, United States Code.

15 (d) CONSULTANTS.—Notwithstanding section 303 of
16 the Federal Property and Administrative Services Act of
17 1949 (41 U.S.C. 253), the Secretary may retain such con-
18 sultants on a noncompetitive basis as the Secretary con-
19 siders necessary to carry out this Act.

20 (e) CONTRACTING.—In carrying out this Act, the
21 Secretary may waive all or part of any provision of the
22 Competition in Contracting Act of 1984 (Public Law 98–
23 369; 98 Stat. 1175), an amendment made by that Act,
24 or the Federal Acquisition Regulation on a determination

1 that circumstances make compliance with the provisions
2 contrary to the public interest.

3 (f) INFORMATION COLLECTION.—Chapter 35 of title
4 44, United States Code, shall not apply to any information
5 collection requirement necessary for the implementation of
6 the Home Energy Savings Retrofit Rebate Program. The
7 Secretary shall establish, and make available to home-
8 owners seeking a rebate under this Act, optional release
9 forms authorizing access by the Secretary, BPI, and
10 RESNET to information in the utility bills of the home-
11 owner.

12 **SEC. 13. TREATMENT OF REBATES.**

13 (a) IN GENERAL.—For purposes of the Internal Rev-
14 enue Code of 1986, rebates received for a qualified home
15 energy efficiency retrofit under this Act—

16 (1) shall not be considered taxable income to a
17 homeowner; and

18 (2) shall prohibit the consumer from applying
19 for a tax credit allowed under section 25C or 25D
20 of that Code for the same retrofit work performed
21 in the home of the homeowner.

22 (b) NOTICE.—

23 (1) IN GENERAL.—A participating contractor
24 shall provide notice to a homeowner of the provisions

1 of subsection (a) before eligible work is performed in
2 the home of the homeowner.

3 (2) NOTICE IN REBATE FORM.—A homeowner
4 shall be notified of the provisions of subsection (a)
5 in the appropriate rebate form developed by the Sec-
6 retary, in consultation with the Secretary of the
7 Treasury.

8 **SEC. 14. PENALTIES.**

9 (a) IN GENERAL.—It shall be unlawful for any per-
10 son to violate this Act (including any regulation issued
11 under this Act), other than a violation as the result of
12 a clerical error.

13 (b) CIVIL PENALTY.—In addition to any penalty ap-
14 plicable under other Federal law for fraud or other crimes,
15 any person who commits a violation of this Act shall be
16 liable to the United States for a civil penalty in an amount
17 that is not more than the higher of—

18 (1) \$15,000 for each violation; or

19 (2) 3 times the value of any associated rebate
20 under this Act.

21 (c) ADMINISTRATION.—The Secretary may—

22 (1) assess and compromise a penalty imposed
23 under subsection (b); and

24 (2) require from any entity the records and in-
25 spections necessary to enforce this Act.

1 **SEC. 15. FUNDING.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—

3 (1) IN GENERAL.—There are authorized to be
4 appropriated to the Secretary to carry out this Act
5 \$500,000,000 for each of fiscal years 2013 through
6 2016, to remain available until expended.

7 (2) MAINTENANCE OF FUNDING.—Funds pro-
8 vided under this section shall supplement and not
9 supplant any Federal and State funding provided to
10 carry out energy efficiency programs in existence on
11 the date of enactment of this Act.

12 (b) GRANTS TO STATES.—

13 (1) IN GENERAL.—Of the amounts provided
14 under subsection (a), not more than 6 percent shall
15 be used to carry out section 9.

16 (2) DISTRIBUTION TO STATE ENERGY OF-
17 FICES.—Not later than 45 days after the date of en-
18 actment of this Act, the Secretary shall determine a
19 formula to provide funds described in paragraph (1)
20 to State energy offices, in accordance with the allo-
21 cation formula for State energy conservation plans
22 established under part D of title III of the Energy
23 Policy and Conservation Act (42 U.S.C. 6321 et
24 seq.).

25 (c) TRACKING OF REBATES AND EXPENDITURES.—

26 Of the amount provided under subsection (a), not more

1 than 2.5 percent are authorized to be appropriated to the
2 Secretary to be used for costs associated with tracking re-
3 bates and expenditures through the Federal Rebate Proc-
4 essing System under this Act, technical assistance to
5 States, and related administrative costs incurred by the
6 Secretary.

7 (d) PROGRAM REVIEW AND BACKSTOP FUNDING.—

8 (1) IN GENERAL.—Not later than 180 days
9 after the date of enactment of this Act, the Sec-
10 retary shall perform a State-by-State analysis and
11 review the distribution of Home Energy Savings
12 Retrofit Rebates under this Act.

13 (2) ADJUSTMENT.—The Secretary may allocate
14 technical assistance funding to assist States that
15 have not sufficiently benefitted from the Home En-
16 ergy Savings Retrofit Rebate Program.

17 (e) RETURN OF UNDISBURSED FUNDS.—If the Sec-
18 retary has not disbursed all the funds available for rebates
19 under the Home Energy Savings Retrofit Rebate Program
20 by September 30, 2017, any undisbursed funds shall be
21 returned to the Treasury.

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