

114TH CONGRESS
1ST SESSION

H. R. 3420

To reauthorize the weatherization and State energy programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2015

Mr. TONKO (for himself, Mr. NADLER, Mr. PIERLUISI, Mr. LOWENTHAL, Ms. NORTON, Ms. CASTOR of Florida, Mr. CONNOLLY, Mr. CARSON of Indiana, Ms. SLAUGHTER, Mr. WELCH, and Mr. RUSH) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To reauthorize the weatherization and State energy programs, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Weatherization Enhancement, and Local Energy Effi-
6 ciency Investment and Accountability Act”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—WEATHERIZATION ASSISTANCE PROGRAM

Sec. 101. Reauthorization of weatherization assistance program.

Sec. 102. Grants to eligible multistate housing and energy nonprofit organizations.

Sec. 103. Quality assurance program.

TITLE II—STATE ENERGY PROGRAMS

Sec. 201. Reauthorization of State energy programs.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) the State energy program established under
 4 part D of title III of the Energy Policy and Con-
 5 servation Act (42 U.S.C. 6321 et seq.) (referred to
 6 in this section as “SEP”) and the Weatherization
 7 Assistance Program for Low-Income Persons estab-
 8 lished under part A of title IV of the Energy Con-
 9 servation and Production Act (42 U.S.C. 6861 et
 10 seq.) (referred to in this section as “WAP”) have
 11 proven to be beneficial, long-term partnerships
 12 among Federal, State, and local partners;

13 (2) the SEP and the WAP have been reauthor-
 14 ized on a bipartisan basis over many years to ad-
 15 dress changing national, regional, and State cir-
 16 cumstances and needs, especially through—

17 (A) the Energy Policy and Conservation
 18 Act (42 U.S.C. 6201 et seq.);

19 (B) the Energy Conservation and Produc-
 20 tion Act (42 U.S.C. 6801 et seq.);

1 (C) the State Energy Efficiency Programs
2 Improvement Act of 1990 (Public Law 101–
3 440; 104 Stat. 1006);

4 (D) the Energy Policy Act of 1992 (42
5 U.S.C. 13201 et seq.);

6 (E) the Energy Policy Act of 2005 (42
7 U.S.C. 15801 et seq.); and

8 (F) the Energy Independence and Security
9 Act of 2007 (42 U.S.C. 17001 et seq.);

10 (3) the SEP, also known as the “State energy
11 conservation program”—

12 (A) was first created in 1975 to implement
13 a State-based, national program in support of
14 energy efficiency, renewable energy, economic
15 development, energy emergency preparedness,
16 and energy policy; and

17 (B) has come to operate in every sector of
18 the economy in support of the private sector to
19 improve productivity and has dramatically re-
20 duced the cost of government through energy
21 savings at the State and local levels;

22 (4) Federal laboratory studies have concluded
23 that, for every Federal dollar invested through the
24 SEP, more than \$7 is saved in energy costs and al-
25 most \$11 in non-Federal funds is leveraged;

1 (5) the WAP—

2 (A) was first created in 1976 to assist low-
3 income families in response to the first oil em-
4 bargo;

5 (B) has become the largest residential en-
6 ergy conservation program in the United
7 States, with more than 7,100,000 homes weath-
8 erized since the WAP was created;

9 (C) saves an estimated 35 percent of con-
10 sumption in the typical weatherized home, yield-
11 ing average annual savings of \$437 per year in
12 home energy costs;

13 (D) has created thousands of jobs in both
14 the construction sector and in the supply chain
15 of materials suppliers, vendors, and manufac-
16 turers who supply the WAP;

17 (E) returns \$2.51 in energy savings for
18 every Federal dollar spent in energy and non-
19 energy benefits over the life of weatherized
20 homes;

21 (F) serves as a foundation for residential
22 energy efficiency retrofit standards, technical
23 skills, and workforce training for the emerging
24 broader market and reduces residential and

1 power plant emissions of carbon dioxide by 2.65
2 metric tons each year per home; and

3 (G) has decreased national energy con-
4 sumption by the equivalent of 24,100,000 bar-
5 rels of oil annually;

6 (6) the WAP can be enhanced with the addition
7 of a targeted portion of Federal funds through an
8 innovative program that supports projects performed
9 by qualified nonprofit organizations that have a
10 demonstrated capacity to build, renovate, repair, or
11 improve the energy efficiency of a significant num-
12 ber of low-income homes;

13 (7) the WAP has increased energy efficiency
14 opportunities by promoting new, competitive public-
15 private sector models of retrofitting low-income
16 homes through new Federal partnerships;

17 (8) improved monitoring and reporting of the
18 work product of the WAP has yielded benefits, and
19 expanding independent verification of efficiency work
20 will support the long-term goals of the WAP;

21 (9) reports of the Government Accountability
22 Office in 2011, Inspector General of the Department
23 of Energy, and State auditors have identified State-
24 level deficiencies in monitoring efforts that can be

1 addressed in a manner that will ensure that WAP
2 funds are used more effectively;

3 (10) through the history of the WAP, the WAP
4 has evolved with improvements in efficiency tech-
5 nology, including, in the 1990s, many States adopt-
6 ing advanced home energy audits, which has led to
7 great returns on investment; and

8 (11) as the home energy efficiency industry has
9 become more performance-based, the WAP should
10 continue to use those advances in technology and the
11 professional workforce.

12 **TITLE I—WEATHERIZATION** 13 **ASSISTANCE PROGRAM**

14 **SEC. 101. REAUTHORIZATION OF WEATHERIZATION ASSIST-** 15 **ANCE PROGRAM.**

16 Section 422 of the Energy Conservation and Produc-
17 tion Act (42 U.S.C. 6872) is amended by striking “appro-
18 priated—” and all that follows through the period at the
19 end and inserting “appropriated \$450,000,000 for each
20 of fiscal years 2016 through 2020.”.

21 **SEC. 102. GRANTS TO ELIGIBLE HOUSING AND NONPROFIT** 22 **ORGANIZATIONS.**

23 The Energy Conservation and Production Act is
24 amended by inserting after section 414B (42 U.S.C.
25 6864b) the following:

1 **“SEC. 414C. GRANTS TO ELIGIBLE HOUSING AND NON-**
2 **PROFIT ORGANIZATIONS.**

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

4 “(1) to expand the number of low-income, sin-
5 gle-family and multifamily homes that receive energy
6 efficiency retrofits;

7 “(2) to promote innovation and new models of
8 retrofitting low-income homes through new Federal
9 partnerships with covered organizations that lever-
10 age donations, donated materials, volunteer labor,
11 homeowner labor equity, and other private sector re-
12 sources;

13 “(3) to assist the covered organizations in dem-
14 onstrating, evaluating, improving, and replicating
15 widely the model low-income energy retrofit pro-
16 grams of the covered organizations; and

17 “(4) to ensure that the covered organizations
18 make the energy retrofit projects undertaken by the
19 covered organizations with awarded funds self-sus-
20 taining by the time grant funds have been expended.

21 “(b) DEFINITION.—In this section, the term ‘covered
22 organization’ means an organization that—

23 “(1) is described in section 501(c)(3) of the In-
24 ternal Revenue Code of 1986 and exempt from tax-
25 ation under 501(a) of that Code; and

1 “(2) has an established record of constructing,
2 renovating, repairing, or making energy efficient an
3 aggregate quantity of not less than 250 owner-occu-
4 pied, single-family or multifamily homes for low-in-
5 come households, either directly or through affili-
6 ates, chapters, or other direct partners (using the
7 most recent year for which data are available).

8 “(c) IN GENERAL.—The Secretary shall make grants
9 to covered organizations through a national competitive
10 process for use in accordance with this section.

11 “(d) AWARD FACTORS.—In making grants under this
12 section, the Secretary shall consider—

13 “(1) the number of low-income homes the appli-
14 cant—

15 “(A) has built, renovated, repaired, or
16 made more energy efficient as of the date of the
17 application; and

18 “(B) can reasonably be projected to build,
19 renovate, repair, or make energy efficient dur-
20 ing the grant period beginning on the date of
21 the application;

22 “(2) the qualifications, experience, and past
23 performance of the applicant, including experience
24 successfully managing and administering Federal
25 funds;

1 “(3) the number and diversity of States, com-
2 munities, and climates in which the applicant works
3 and the diversity of housing types requiring weather-
4 ization as of the date of the application;

5 “(4) the amount of non-Federal funds, donated
6 or discounted materials, discounted or volunteer
7 skilled labor, volunteer unskilled labor, homeowner
8 labor equity, and other resources the applicant will
9 provide;

10 “(5) the extent to which the applicant could
11 successfully replicate the proposed energy retrofit
12 project and sustain the project after the grant funds
13 have been expended; and

14 “(6) such other factors as the Secretary deter-
15 mines to be appropriate.

16 “(e) APPLICATIONS.—

17 “(1) IN GENERAL.—Not later than 120 days
18 after the date of enactment of this section, the Sec-
19 retary shall solicit proposals from covered organiza-
20 tions.

21 “(2) ADMINISTRATION.—To be eligible to re-
22 ceive a grant under this section, an applicant shall
23 submit to the Secretary an application at such time,
24 in such manner, and containing such information as
25 the Secretary may require.

1 “(3) AWARDS.—Not later than 90 days after
2 the closing date established by the Secretary for re-
3 ceipt of proposals, the Secretary shall award grants
4 under this section.

5 “(f) ELIGIBLE USES OF GRANT FUNDS.—A grant
6 under this section may be used to—

7 “(1) conduct energy efficiency audits;

8 “(2) perform cost-effective retrofit and related
9 weatherization activities, including purchase of en-
10 ergy efficient materials and supplies;

11 “(3) conduct training activities and provide on-
12 going technical assistance;

13 “(4) provide information to homeowners on
14 proper maintenance and energy savings behaviors;

15 “(5) conduct data collection, measurement, and
16 verification activities to facilitate program moni-
17 toring, oversight, evaluation, and reporting;

18 “(6) manage and administer the grant (up to a
19 maximum of 10 percent of the total grant); and

20 “(7) obtain and conduct such other materials
21 and activities as the Secretary determines to be ap-
22 propriate.

23 “(g) MAXIMUM AMOUNT.—The amount of a grant
24 provided under this section shall not exceed \$5,000,000.

25 “(h) GUIDELINES.—

1 “(1) IN GENERAL.—Not later than 60 days
2 after the date of enactment of this section, the Sec-
3 retary shall issue guidelines to implement the grant
4 program established under this section.

5 “(2) ADMINISTRATION.—The guidelines shall
6 establish—

7 “(A) criteria for allowable expenditures;

8 “(B) a methodology to determine a min-
9 imum energy savings-to-investment ratio;

10 “(C) criteria for—

11 “(i) the conduct of weatherization
12 training programs;

13 “(ii) the conduct of energy audits and
14 program activities;

15 “(iii) the conduct of project moni-
16 toring activities; and

17 “(iv) the use of methodologies to
18 verify energy and cost savings;

19 “(D) liability insurance requirements; and

20 “(E) recordkeeping requirements, which
21 shall include reporting to the Office of Weather-
22 ization and Intergovernmental Programs of the
23 Department of Energy applicable data on each
24 home retrofitted.

1 “(i) REVIEW AND EVALUATION.—The Secretary shall
2 review and evaluate the performance of any covered orga-
3 nization that receives a grant under this section (which
4 may include an audit), as determined by the Secretary.

5 “(j) COMPLIANCE WITH STATE AND LOCAL LAW.—
6 Nothing in this section or any program carried out using
7 a grant provided under this section supersedes or other-
8 wise affects any State or local law, to the extent that the
9 State or local law contains a requirement that is more
10 stringent than the applicable requirement of this section.

11 “(k) ANNUAL REPORTS.—The Secretary shall submit
12 to Congress annual reports that provide a description of
13 energy and cost savings achieved and actions taken under
14 this section.

15 “(l) FUNDING.—Of the funds made available to carry
16 out this part for each of fiscal years 2016 through 2020
17 under section 422, the Secretary shall make available to
18 carry out this section—

19 “(1) 2 percent of the amount if less than
20 \$225,000,000 is available;

21 “(2) 5 percent of the amount if \$225,000,000
22 or more but less than \$260,000,000 is available;

23 “(3) 10 percent of the amount if \$260,000,000
24 or more but less than \$400,000,000 is available; and

1 “(4) 20 percent of the amount if \$400,000,000
2 or more is available.”.

3 **SEC. 103. QUALITY ASSURANCE PROGRAM.**

4 Section 415 of the Energy Conservation and Produc-
5 tion Act (42 U.S.C. 6865) is amended by adding at the
6 end the following:

7 “(f) QUALITY ASSURANCE PROGRAM.—

8 “(1) CONTRACTOR QUALIFICATION.—Effective
9 beginning January 1, 2016, to be eligible to carry
10 out weatherization using funds made available under
11 this part, a contractor shall be selected through a
12 competitive bidding process and be—

13 “(A) accredited by the Building Perform-
14 ance Institute;

15 “(B) an Energy Smart Home Performance
16 Team accredited under the Residential Energy
17 Services Network; or

18 “(C) accredited by an equivalent accredita-
19 tion or program accreditation-based State cer-
20 tification program approved by the Secretary.

21 “(2) GRANTS TO NONPROFIT ORGANIZA-
22 TIONS.—

23 “(A) IN GENERAL.—To be eligible to re-
24 ceive a grant under section 414C, a covered or-

1 organization (as defined in section 414C(b)) shall
2 use a crew chief who—

3 “(i) is certified or accredited in ac-
4 cordance with paragraph (1); and

5 “(ii) supervises the work performed
6 with grant funds.

7 “(B) VOLUNTEER LABOR.—A volunteer
8 who performs work for a covered organization
9 that receives a grant under section 414C shall
10 not be required to be certified under this sub-
11 section if the volunteer is not directly installing
12 or repairing mechanical equipment or other
13 items that require skilled labor.

14 “(3) MINIMUM EFFICIENCY STANDARDS.—Ef-
15 fective beginning October 1, 2016, the Secretary
16 shall ensure that—

17 “(A) each retrofit for which weatherization
18 assistance is provided under this part meets
19 minimum efficiency and quality of work stand-
20 ards established by the Secretary after weather-
21 ization of a dwelling unit;

22 “(B) at least 10 percent of such dwelling
23 units are randomly inspected by a third party
24 accredited as described in paragraph (1) (A)
25 through (C) to ensure compliance with the min-

1 imum efficiency and quality of work standards
2 established under subparagraph (A); and

3 “(C) the standards established under this
4 subsection meet or exceed the industry stand-
5 ards for home performance work that are in ef-
6 fect on the date of enactment of this subsection,
7 as determined by the Secretary.”.

8 **TITLE II—STATE ENERGY**
9 **PROGRAMS**

10 **SEC. 201. REAUTHORIZATION OF STATE ENERGY PRO-**
11 **GRAMS.**

12 Section 365(f) of the Energy Policy and Conservation
13 Act (42 U.S.C. 6325(f)) is amended by striking
14 “\$125,000,000 for each of fiscal years 2007 through
15 2012” and inserting “\$75,000,000 for each of fiscal years
16 2016 through 2020”.

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