

to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table.

SA 3046. Mr. ENZI (for himself, Mr. THUNE, and Mr. BARRASSO) submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3047. Mr. UDALL of Colorado (for himself, Mr. BEGICH, and Ms. HEITKAMP) submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3048. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3049. Mrs. BOXER (for herself and Mr. BENNET) submitted an amendment intended to be proposed by her to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3050. Mr. COATS (for himself, Mr. HOEVEN, Mr. TOOMEY, Mr. VITTER, Mr. RISCH, Mr. CRAPO, Mr. HATCH, Mr. ENZI, and Mr. SESSIONS) submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3051. Mr. JOHANNIS submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3052. Mr. SANDERS (for himself, Mr. WYDEN, Mr. KING, and Mr. CASEY) submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3053. Mr. KING submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

SA 3054. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill S. 2262, supra; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

**SA 3045.** Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

On page 78, between lines 8 and 9, insert the following:

#### **SEC. 30 . RELEASE OF REPORT ON ENERGY AND COST SAVINGS IN NONBUILDING APPLICATIONS.**

Not later than 15 days after the date of enactment of this Act, the Secretary and the Secretary of Defense shall jointly publish on a public website and otherwise make available to the public the report on the results of the study of energy and cost savings in nonbuilding applications required under section 518(b) of the Energy Independence and Security Act of 2007 (Public Law 110-140; 121 Stat. 1660).

**SA 3046.** Mr. ENZI (for himself, Mr. THUNE, and Mr. BARRASSO) submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

At the beginning of title V, add the following:

#### **SEC. 5 . REGIONAL HAZE PROGRAM.**

(a) IN GENERAL.—Notwithstanding any other provision of law, the disapproval, in whole or in part, by the Administrator of the

Environmental Protection Agency of a State regional haze implementation plan addressing any regional haze regulation of the Environmental Protection Agency (including the regulations described in sections 51.308 and 51.309 of title 40, Code of Federal Regulations (or successor regulations)) shall not be valid if—

(1) the Administrator fails to demonstrate using the best available science that a Federal implementation plan governing a specific unit, when compared to the State plan, results in at least a 1.0 deciview improvement over the State plan in any single class I area (as classified under section 162 of the Clean Air Act (42 U.S.C. 7472)); or

(2) implementation of the Federal implementation plan, when compared to the State plan, will result in an economic cost of greater than \$100,000,000 in any fiscal year or \$300,000,000 in the aggregate over the cost of the State plan.

(b) RETROACTIVE APPLICATION.—This section applies to any disapproval by the Administrator of the Environmental Protection Agency of a State regional haze implementation plan that occurs after January 1, 2010.

**SA 3047.** Mr. UDALL of Colorado (for himself, Mr. BEGICH, and Ms. HEITKAMP) submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

At the beginning of title V, insert the following:

#### **SEC. 5 . AUTHORIZATION TO EXPORT NATURAL GAS.**

(a) DECISION DEADLINE.—The Secretary of Energy shall issue a decision on any application for authorization to export natural gas under section 3 of the Natural Gas Act (15 U.S.C. 717b) not later than 90 days after the later of—

(1) the end of the comment period for the decision as set forth in the applicable notice published in the Federal Register; or

(2) the date of enactment of this Act.

(b) JUDICIAL ACTION.—

(1) IN GENERAL.—The United States Court of Appeals for the circuit in which the export facility will be located pursuant to an application described in subsection (a) shall have original and exclusive jurisdiction over any civil action for the review of—

(A) an order issued by the Secretary of Energy with respect to the application; or

(B) the failure of the Secretary of Energy to issue a decision on the application.

(2) ORDER.—If the Court in a civil action described in paragraph (1) finds that the Secretary of Energy has failed to issue a decision on the application as required under subsection (a), the Court shall order the Secretary of Energy to issue the decision not later than 30 days after the order of the Court.

(3) EXPEDITED CONSIDERATION.—The Court shall—

(A) set any civil action brought under this subsection for expedited consideration; and

(B) set the matter on the docket as soon as practicable after the filing date of the initial pleading.

**SA 3048.** Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 501 and insert the following:

#### **SEC. 5 . COMMUNITY ENERGY PROGRAM.**

Part D of title III of the Energy Policy and Conservation Act is amended by inserting after section 364 (42 U.S.C. 6324) the following:

#### **“SEC. 364A. COMMUNITY ENERGY PROGRAM.**

“(a) IN GENERAL.—The Secretary, acting in conjunction with State energy offices, shall establish and carry out a community energy program under which the Secretary shall make grants to eligible entities to support community energy systems improvement projects, including projects involving energy assessments, development of energy system improvement strategies, and implementation of those strategies so as to reduce energy usage and increase energy supplied from renewable resources.

“(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall be—

“(1) a municipality (including a town or city or other local unit of government); or

“(2) a nonprofit institutional entity (including an institution of higher education, hospital, or school system).

“(c) APPLICATION REQUIREMENTS.—To be eligible to receive a grant under this section, an eligible entity shall—

“(1) provide to the Secretary evidence that the entity has a commitment to improving the energy systems of the entity;

“(2) encourage broad citizen participation in the project carried out with the grant;

“(3) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require; and

“(4) meet such other eligibility criteria as are established by the Secretary.

“(d) TYPES OF GRANTS.—The Secretary shall provide to eligible entities under this section—

“(1) planning and assessment grants to support—

“(A) the assessment of current energy types and uses of the eligible entity;

“(B) the identification of potential alternative energy resources to serve the energy needs of the eligible entity, including energy efficiency measures and renewable energy systems; and

“(C) the development of energy improvement project plans that specify energy efficiency measures to be adopted and renewable energy systems to be installed; and

“(2) implementation project grants to support the implementation of energy system improvements, regardless of whether the eligible entities received planning and assessment grants for the improvements under paragraph (1).

“(e) USE OF GRANTS.—

“(1) PLANNING AND ASSESSMENT GRANTS.—An eligible entity may use a planning and assessment grant provided under subsection (d)(1)—

“(A) to assess energy usage across the eligible entity, including energy used in—

“(i) public and private buildings and facilities;

“(ii) commercial and industrial applications; and

“(iii) transportation; and

“(B) to formulate energy improvement plans that describe specific energy efficiency measures to be adopted and specific renewable energy systems to be installed, including identification of funding sources and implementation processes.

“(2) IMPLEMENTATION PROJECT GRANTS.—An eligible entity may use an implementation grant provided under subsection (d)(2) to implement energy efficiency measures, or install renewable energy systems, in support of energy improvement plans.

“(f) FEDERAL SHARE.—The Federal cost of carrying out a project under this section

shall not exceed 50 percent of total project costs.

“(g) ADMINISTRATION.—The Secretary shall establish criteria for program participation and evaluation of proposals for projects to be carried out under this section, including criteria based on—

- “(1) energy savings; and
- “(2) reductions in oil consumption.

“(h) TECHNICAL ASSISTANCE.—

“(1) IN GENERAL.—To assist eligible entities in carrying out projects under this section, the Secretary may—

“(A) provide training and technical assistance and support to entities that receive grants under this section; and

“(B) support regional conferences to enable entities to share information on energy assessment, planning, and implementation activities.

“(2) EVALUATION PROGRAM.—In carrying out this section, the Secretary shall develop and support use of an evaluation program that measures and evaluates the energy and economic impacts of projects carried out under this section.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

“(1) \$10,000,000 for fiscal year 2014; and

“(2) \$20,000,000 for each of fiscal years 2015 through 2018.”.

#### SEC. 5. OFFSET.

Section 422(f) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17082(f)) is amended—

(1) in paragraph (3), by striking “and” after the semicolon at the end; and

(2) by striking paragraph (4) and inserting the following:

“(4) \$200,000,000 for fiscal year 2013;

“(5) \$190,000,000 for fiscal year 2014;

“(6) \$130,000,000 for fiscal year 2015; and

“(7) \$80,000,000 for each of fiscal years 2016 through 2018.”.

**SA 3049.** Mrs. BOXER (for herself and Mr. BENNET) submitted an amendment intended to be proposed by her to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

#### TITLE VI—PACE ASSESSMENT PROTECTION ACT

##### SEC. 601. SHORT TITLE.

This title may be cited as the “PACE Assessment Protection Act”.

##### SEC. 602. PURPOSE.

It is the purpose of this title to ensure that those PACE programs which incorporate prudent programmatic safeguards to protect the interest of mortgage holders and property owners remain viable as a potential avenue for States and local governments to achieve the many public benefits associated with energy efficiency, water efficiency, and renewable energy retrofits. In addition, it is essential that the power and authority of State and local governments to exercise their longstanding and traditional powers to levy taxes for public purposes not be impeded.

##### SEC. 603. DEFINITIONS.

For purposes of this title the following definitions apply:

(1) CLEAN ENERGY IMPROVEMENTS.—The term “clean energy improvements” means any system on privately owned property for producing electricity for, or meeting heating, cooling, or water heating needs of the property, using renewable energy sources, combined heat and power systems, or energy systems using wood biomass (but not con-

struction and demolition waste) or natural gas. Such improvements include solar photovoltaic, solar thermal, wood biomass, wind, and geothermal systems. Such term includes the reasonable costs of a study undertaken by a property owner to analyze the feasibility of installing any of the improvements described in this paragraph and the cost of a warranty or insurance policy for such improvements.

(2) ENERGY CONSERVATION AND EFFICIENCY IMPROVEMENTS.—The term “energy conservation and efficiency improvements” means measures to reduce consumption, through conservation or more efficient use, of electricity, fuel oil, natural gas, propane, or other forms of energy by the property, including air sealing, installation of insulation, installation of heating, cooling, or ventilation systems, building modification to increase the use of daylighting, replacement of windows, installation of energy controls or energy recovery systems, installation of building management systems, and installation of efficient lighting equipment, provided that such improvements are permanently affixed to the property. Such term includes the reasonable costs of an audit undertaken by a property owner to identify potential energy savings that could be achieved through installation of any of the improvements described in this paragraph.

(3) ENTERPRISE.—The term “enterprise” means—

(A) the Federal National Mortgage Association and any affiliate thereof; and

(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof.

(4) LOCAL GOVERNMENT.—The term “local government” includes counties, cities, boroughs, towns, parishes, villages, districts, and other political subdivisions authorized under State laws to establish PACE programs.

(5) NON-RESIDENTIAL PROPERTY.—The term “non-residential property” means private property that is—

(A) not used for residential purposes; or

(B) residential property with 5 or more residences.

(6) PACE AGREEMENT.—The term “PACE agreement” means an agreement between a local government and a property owner detailing the terms of financing for a PACE improvement.

(7) PACE ASSESSMENT.—The term “PACE assessment” means a tax or assessment levied by a local government to provide financing for PACE improvements.

(8) PACE IMPROVEMENTS.—The term “PACE improvements” means qualified clean energy improvements, qualified energy conservation and efficiency improvements, and qualified water conservation and efficiency improvements.

(9) PACE LIEN.—The term “PACE lien” means a lien securing a PACE assessment, which may be senior to the lien of pre-existing purchase money mortgages on the same property subject to the PACE lien.

(10) PACE PROGRAM.—The term “PACE program” means a program implemented by a local government under State law to provide financing for PACE improvements by levying PACE assessments.

(11) PROPERTY OWNER.—The term “property owner” means the owner of record of real property that is subject to a PACE assessment, whether such property is zoned or used for residential, commercial, industrial, or other uses.

(12) QUALIFIED.—The term “qualified” means, with respect to PACE improvements, that the improvements meet the criteria specified in section 605.

(13) RESIDENTIAL PROPERTY.—The term “residential property” means a property with up to 4 private residences.

(14) WATER CONSERVATION AND EFFICIENCY IMPROVEMENTS.—The term “water conservation and efficiency improvements” means measures to reduce consumption, through conservation or more efficient use of water by the property, including installation of low-flow toilets and showerheads, installation of timer or timing system for hot water heaters, and installation of rain catchment systems.

#### SEC. 604. TREATMENT OF PACE PROGRAMS BY FNMA AND FHLMC.

(a) LENDER GUIDANCE.—The Director of the Federal Housing Finance Agency, acting in the Director’s general supervisory capacity, shall direct the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation to—

(1) issue guidance, within 30 days after the date of enactment of this title, providing that the levy of a PACE assessment and the creation of a PACE lien do not constitute a default on any loan secured by a uniform instrument of Federal National Mortgage Association or Federal Home Loan Mortgage Corporation and do not trigger the exercise of remedies with respect to any provision of such uniform security instrument if the PACE assessment and the PACE lien meet the requirements of section 605;

(2) rescind any prior issued guidance or Selling and Servicing Guides that are inconsistent with the provisions of paragraph (1); and

(3) take all such other actions necessary to effect the purposes of this title.

(b) PROHIBITION OF DISCRIMINATION.—The Director of the Federal Housing Finance Agency, the Comptroller of the Currency, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Board of Governors of the Federal Reserve System, and all Federal agencies and entities chartered or otherwise established under Federal law shall not discriminate in any manner against States or local governments implementing or participating in a PACE program, or against any property that is obligated to pay a PACE assessment or is subject to a PACE lien, including, without limitation, by—

(1) prohibiting lending within such jurisdiction or requiring more restrictive underwriting criteria for properties within such jurisdiction;

(2) except for the escrowing of funds as permitted by section 605(h)(2), requiring payment of PACE assessment amounts that are not due or that are not delinquent; or

(3) applying more restrictive underwriting criteria to any property that is obligated to pay a PACE assessment and is subject to a PACE lien than any such entity would apply to such property in the event that such property were subject to a State or municipal tax or assessment that was not a PACE assessment.

#### SEC. 605. PACE PROGRAMS ELIGIBLE FOR PROTECTION.

(a) IN GENERAL.—A PACE program, and any PACE assessment and PACE lien related to such program, are entitled to the protections of this title only if the program meets all of the requirements under this section at the time of its establishment, or, in the case of any PACE program in effect upon the date of the enactment of this title, not later than 60 days after such date of enactment.

(b) RESERVE FUNDS.—

(1) ESTABLISHMENT.—A PACE program shall enroll or otherwise contribute to a reserve fund maintained by a State or local government authority, a purpose of which shall be to make payments to reimburse PACE programs for any amounts a program

is required to pay, and has demonstrated has been paid, pursuant to paragraph (3).

(2) **CAPITAL SUFFICIENCY.**—A reserve fund in which a PACE program is enrolled or otherwise contributing to shall maintain a minimum capital level in such amount as shall be sufficient to ensure that an enterprise will not be adversely impacted by the PACE liens securing the PACE assessments held by the PACE program.

(3) **REQUIRED PAYMENTS TO ENTERPRISES.**—A PACE program shall pay to an enterprise such amounts as are necessary to cover—

(A) in any foreclosure in connection with a residential property, any loss incurred by such enterprise resulting from the payment of any PACE assessment paid while the enterprise is in possession of the property; and

(B) in any forced sale for unpaid taxes or special assessments in connection with a residential property, any loss incurred by such enterprise resulting from PACE assessments being paid before the payment of any outstanding balance on the mortgage owed to the enterprise.

(4) **APPLICABILITY ONLY TO RESIDENTIAL PACE PROGRAMS.**—This subsection, and the requirements of this subsection, shall only apply with respect to residential PACE programs.

(c) **CONSUMER PROTECTIONS APPLICABLE TO RESIDENTIAL PROPERTY.**—A PACE program shall provide, with respect to residential property, for the following:

(1) **PROPERTY OWNER AGREEMENTS.**—

(A) **PACE ASSESSMENT.**—The property owner shall agree in writing to a PACE assessment, either pursuant to a PACE agreement or by voting in the manner specified by State law. In the case of any property with multiple owners, each owner or the owner's authorized representative shall execute a PACE agreement or vote in the manner specified by State law, as applicable.

(B) **PAYMENT SCHEDULE.**—The property owner shall agree to a payment schedule that identifies the term over which PACE assessment installments will be due, the frequency with which PACE assessment installments will be billed and amount of each installment, and the annual amount due on the PACE assessment. Upon full payment of the amount of the PACE assessment, including all outstanding interest and charges and any penalties that may become due, the local government shall provide the participating property owner with a written statement certifying that the PACE assessment has been paid in full and the local government shall also satisfy all requirements of State law to extinguish the PACE lien.

(2) **DISCLOSURES BY LOCAL GOVERNMENT.**—The local government shall disclose to the participating property owner the costs and risks associated with participating in the PACE program, including risks related to their failure to pay PACE assessments and the risk of enforcement of PACE liens. The local government shall disclose to the property owner the effective interest rate of the PACE assessment, including all program fees. The local government shall clearly and conspicuously provide the property owner the right to rescind his or her decision to enter into a PACE assessment, within 3 days of the original transaction.

(3) **NOTICE TO LIENHOLDERS.**—Before entering into a PACE agreement or voting in favor of a PACE assessment, the property owner or the local government shall provide to the holders of any existing mortgages on the property written notice of the terms of the PACE assessment.

(4) **CONFIDENTIALITY.**—Any personal financial information provided by a property owner to a local government or an entity administering a PACE program on behalf of a local government shall comply with applica-

ble local, State, and Federal laws governing the privacy of the information.

(d) **REQUIREMENTS APPLICABLE ONLY TO NON-RESIDENTIAL PROPERTY.**—A PACE program shall provide, with respect to non-residential property, for the following:

(1) **AUTHORIZATION BY LIENHOLDERS.**—Before entering into a PACE agreement with a local government or voting in favor of PACE assessments in the manner specified by State law, the property owner shall obtain written authorization from the holders of the first mortgage on the property.

(2) **PACE AGREEMENT.**—

(A) **TERMS.**—The local government and the owner of the property to which the PACE assessment applies at the time of commencement of assessment shall enter into a written PACE agreement addressing the terms of the PACE improvement. In the case of any property with multiple owners, the PACE agreement shall be signed by all owners or their legally authorized representative or representatives.

(B) **PACE IMPROVEMENTS.**—The property owner shall contract for PACE improvements, purchase materials to be used in making such improvements, or both, and upon submission of documentation required by the local government, the local government shall disburse funds to the property owner in payment for the PACE improvements or materials used in making such improvements.

(C) **PAYMENT SCHEDULE.**—The PACE agreement shall include a payment schedule showing the term over which payments will be due on the assessment, the frequency with which payments will be billed and amount of each payment, and the annual amount due on the assessment. Upon full payment of the amount of the assessment, including all outstanding interest and charges and any penalties that may become due, the local government shall provide the participating property owner with a written statement certifying that the assessment has been paid in full and the local government shall also satisfy all requirements of State law to extinguish the PACE lien.

(3) **DISCLOSURES BY LOCAL GOVERNMENT.**—The local government shall disclose to the participating property owners the costs and risks associated with participating in the program, including risks related to their failure to make payments and the risk of enforcement of PACE liens.

(4) **CONFIDENTIALITY.**—Any personal financial information provided by a property owner to a local government or an entity administering a PACE program on behalf of a local government shall comply with applicable local, State, and Federal laws governing the privacy of the information.

(e) **PUBLIC NOTICE OF PACE ASSESSMENT.**—The local government shall file a public notice of the PACE assessment in a manner sufficient to provide notice of the PACE assessment to potential lenders and potential purchasers of the property. The notice shall consist of the following statement or its substantial equivalent: "This property is subject to a tax or assessment that is levied to finance the installation of qualifying energy and water conservation and efficiency improvements or clean energy improvements. The tax or assessment is secured by a lien that is senior to all private liens."

(f) **ELIGIBILITY OF RESIDENTIAL PROPERTY OWNERS.**—Before levying a PACE assessment on a residential property, the local government shall ensure that all of the following are true with respect to the property:

(1) All property taxes and any other public assessments are current and have been current for 3 years or the property owner's period of ownership, whichever period is shorter.

(2) There are no involuntary liens, such as mechanics liens, on the property in excess of \$1,000.

(3) No notices of default and not more than one instance of property-based debt delinquency have been recorded during the past 3 years or the property owner's period of ownership, whichever period is shorter.

(4) The property owner has not filed for or declared bankruptcy in the previous 7 years.

(5) The property owner is current on all mortgage debt on the property.

(6) The property owner or owners are the holders of record of the property.

(7) The property title is not subject to power of attorney, easements, or subordination agreements restricting the authority of the property owner to subject the property to a PACE lien.

(8) The property meets any geographic eligibility requirements established by the PACE program.

The local government may adopt additional criteria, appropriate to PACE programs, for determining whether to provide PACE financing to a property.

(g) **QUALIFYING IMPROVEMENTS AND QUALIFYING CONTRACTORS FOR RESIDENTIAL PROPERTIES.**—PACE improvements for residential properties shall be qualified if they meet the following criteria:

(1) **AUDIT.**—For clean energy improvements and energy conservation and efficiency improvements, an audit or feasibility study performed by a person who has been certified as a building analyst by the Building Performance Institute or as a Home Energy Rating System (HERS) Rater by a Rating Provider accredited by the Residential Energy Services Network (RESNET); or who has obtained other similar independent certification shall have been commissioned by the local government or the property owner and the audit or feasibility study shall—

(A) identify recommended energy conservation, efficiency, and/or clean energy improvements and such recommended improvements must include the improvements proposed to be financed with the PACE assessment to the extent permitted by law;

(B) estimate the potential cost savings, useful life, benefit-cost ratio, and simple payback or return on investment for each improvement; and

(C) provide the estimated overall difference in annual energy costs with and without the recommended improvements. State law may provide that the cost of the audit and the cost of a warranty covering the financed improvements may be included in the total amount financed.

(2) **AFFIXED FOR USEFUL LIFE.**—The local government shall have determined the improvements are intended to be affixed to the property for the entire useful life of the improvements based on the expected useful lives of energy conservation, efficiency, and clean energy measures approved by the Department of Energy.

(3) **QUALIFIED CONTRACTORS.**—The improvements must be made by a contractor or contractors, determined by the local government to be qualified to make the PACE improvements. A local government may accept a designation of contractors as qualified made by an electric or gas utility or another appropriate entity. Any work requiring a license under applicable law shall be performed by an individual holding such license. A local government may elect to provide financing for improvements made by the owner of the property, but shall not permit the value of the owner's labor to be included in the amount financed.

(4) **DISBURSEMENT OF PAYMENTS.**—A local government must require, prior to disbursement of final payments for the financed improvements, submission by the property

owner in a form acceptable to the local government of—

(A) a document signed by the property owner requesting disbursement of funds;

(B) a certificate of completion, certifying that improvements have been installed satisfactorily; and

(C) documentation of all costs to be financed and copies of any required permits.

(h) **FINANCING TERMS APPLICABLE ONLY TO RESIDENTIAL PROPERTY.**—A PACE program shall provide, with respect to residential property, for the following:

(1) **AMOUNT FINANCED.**—PACE improvements shall be financed on terms such that the total energy and water cost savings realized by the property owner and the property owner's successors during the useful lives of the improvements, as determined by the audit or feasibility study pursuant to subsection (g)(1), are expected to exceed the total cost to the property owner and the property owner's successors of the PACE assessment. In determining the amount that may be financed by a PACE assessment, the total amount of all rebates, grants, and other direct financial assistance received by the owner on account of the PACE improvements shall be deducted from the cost of the PACE improvements.

(2) **PACE ASSESSMENTS.**—The total amount of PACE assessments for a property shall not exceed 10 percent of the estimated value of the property. A property owner who escrows property taxes with the holder of a mortgage on a property subject to PACE assessment may be required by the holder to escrow amounts due on the PACE assessment, and the mortgage holder shall remit such amounts to the local government in the manner that property taxes are escrowed and remitted.

(3) **OWNER EQUITY.**—As of the effective date of the PACE agreement or the vote required by State law, the property owner shall have equity in the property of not less than 15 percent of the estimated value of the property calculated without consideration of the amount of the PACE assessment or the value of the PACE improvements.

(4) **TERM OF FINANCING.**—The maximum term of financing provided for a PACE improvement may be 20 years. The term shall in no case exceed the weighted average expected useful life of the PACE improvement or improvements. Expected useful lives used for all calculations under this paragraph shall be consistent with the expected useful lives of energy conservation and efficiency and clean energy measures approved by the Department of Energy.

(i) **COLLECTION AND ENFORCEMENT.**—A PACE program shall provide that—

(1) PACE assessments shall be collected in the manner specified by State law;

(2) notwithstanding any other provision of law, in the event of a transfer of property ownership through foreclosure, the transferring property owner may be obligated to pay only PACE assessment installments that are due (including delinquent amounts), along with any applicable penalties and interest, except that before imposition of any penalties or fees, the PACE program shall provide an opportunity to any holder of a senior lien on the property to assume payment of the PACE assessment;

(3) PACE assessment installments that are not due may not be accelerated by foreclosure except as provided by State law; and

(4) payment of a PACE assessment installment from the loss reserve established for a PACE program shall not relieve a participating property owner from the obligation to pay that amount.

**SA 3050.** Mr. COATS (for himself, Mr. HOEVEN, Mr. TOOMEY, Mr. VITTER, Mr.

RISCH, Mr. CRAPO, Mr. HATCH, Mr. ENZI, and Mr. SESSIONS) submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

At the beginning of title V, insert the following:

**SEC. 5. LIMITATION ON AUTHORITY TO ISSUE REGULATIONS UNDER THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977.**

The Secretary of the Interior may not, before December 31, 2017, issue or approve any proposed or final regulation under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.) that would—

(1) adversely impact employment in coal mines in the United States;

(2) cause a reduction in revenue received by the Federal Government or any State, tribal, or local government, by reducing through regulation the quantity of coal in the United States that is available for mining;

(3) reduce the quantity of coal available for domestic consumption or for export;

(4) designate any area as unsuitable for surface coal mining and reclamation operations;

(5) expose the United States to liability for taking the value of privately owned coal through regulation; or

(6) cause further time delays to permitting or increase costs.

**SA 3051.** Mr. JOHANNES submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title III, add the following:

**SEC. 3. REPORT ON FEDERAL AGENCY FACILITIES.**

(a) **IN GENERAL.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on energy use and energy efficiency projects at the facilities occupied by each Federal agency.

(b) **CONTENTS.**—The report required under subsection (a) shall include—

(1) an analysis of energy use at each facility occupied by a Federal agency;

(2) a list of energy audits that have been conducted at the facilities described in paragraph (1);

(3) a list of energy efficiency projects that have been conducted at the facilities described in paragraph (1); and

(4) a list of energy efficiency projects that could be achieved through the use of a consistent and timely mechanical insulation maintenance program and through the upgrading of mechanical insulation at the facilities described in paragraph (1).

**SA 3052.** Mr. SANDERS (for himself, Mr. WYDEN, Mr. KING, and Mr. CASEY) submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 501 and insert the following:

**SEC. 501. STATE RESIDENTIAL BUILDING ENERGY EFFICIENCY UPGRADES LOAN PILOT PROGRAM.**

(a) **LOANS FOR RESIDENTIAL BUILDING ENERGY EFFICIENCY UPGRADES.**—Part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.) is amended by adding at the end the following:

**“SEC. 367. LOANS FOR RESIDENTIAL BUILDING ENERGY EFFICIENCY UPGRADES.**

“(a) **DEFINITIONS.**—In this section:

“(1) **CONSUMER-FRIENDLY.**—The term ‘consumer-friendly’, with respect to a loan repayment approach, means a loan repayment approach that—

“(A) emphasizes convenience for customers;

“(B) is of low cost to consumers; and

“(C) emphasizes simplicity and ease of use for consumers in the billing process.

“(2) **ELIGIBLE ENTITY.**—The term ‘eligible entity’ means—

“(A) a State or territory of the United States; and

“(B) a tribal organization (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)).

“(3) **ENERGY ADVISOR PROGRAM.**—

“(A) **IN GENERAL.**—The term ‘energy advisor program’ means any program to provide to owners or residents of residential buildings advice, information, and support in the identification, prioritization, and implementation of energy efficiency and energy savings measures.

“(B) **INCLUSIONS.**—The term ‘energy advisor program’ includes a program that provides—

“(i) interpretation of energy audit reports;

“(ii) assistance in the prioritization of improvements;

“(iii) assistance in finding qualified contractors;

“(iv) assistance in contractor bid reviews;

“(v) education on energy conservation and energy efficiency;

“(vi) explanations of available incentives and tax credits;

“(vii) assistance in completion of rebate and incentive paperwork; and

“(viii) any other similar type of support.

“(4) **ENERGY EFFICIENCY.**—The term ‘energy efficiency’ means a decrease in homeowner or residential tenant consumption of energy (including electricity and thermal energy) that is achieved without reducing the quality of energy services through—

“(A) a measure or program that targets customer behavior;

“(B) equipment;

“(C) a device; or

“(D) other material.

“(5) **ENERGY EFFICIENCY UPGRADE.**—

“(A) **IN GENERAL.**—The term ‘energy efficiency upgrade’ means any project or activity—

“(i) the primary purpose of which is increasing energy efficiency; and

“(ii) that is carried out on a residential building.

“(B) **INCLUSIONS.**—The term ‘energy efficiency upgrade’ includes the installation or improvement of a renewable energy facility for heating or electricity generation serving a residential building carried out in conjunction with an energy efficiency project or activity.

“(6) **PROGRAM ENTITY.**—The term ‘program entity’ means a local government, utility, or other entity that carries out a financing program under subsection (e)(2)(A) pursuant to a contract or other agreement with an eligible entity.

“(7) RECIPIENT HOUSEHOLD.—The term ‘recipient household’ means the owner or tenant of a residential building who receives financing under this section for an energy efficiency upgrade of the residential building.

“(8) RESIDENTIAL BUILDING.—

“(A) IN GENERAL.—The term ‘residential building’ means a building used for residential purposes.

“(B) INCLUSIONS.—The term ‘residential building’ includes—

“(i) a single-family residence;

“(ii) a multifamily residence composed not more than 4 units; and

“(iii) a mixed-use building that includes not more than 4 residential units.

“(b) ESTABLISHMENT OF PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a program under this part under which the Secretary shall make available to eligible entities loans for the purpose of establishing or expanding programs that provide to recipient households financing for energy efficiency upgrades of residential buildings.

“(2) CONSULTATION.—In establishing the program under paragraph (1), the Secretary shall consult, as the Secretary determines to be appropriate, with stakeholders and the public.

“(3) NO REQUIREMENT TO PARTICIPATE.—No eligible entity shall be required to participate in any manner in the program established under paragraph (1).

“(4) DEADLINES.—The Secretary shall—

“(A) not later than 1 year after the date of enactment of the Energy Savings and Industrial Competitiveness Act of 2014, implement the program established under paragraph (1) (including soliciting applications from eligible entities in accordance with subsection (c)); and

“(B) not later than 2 years after the date of enactment of the Energy Savings and Industrial Competitiveness Act of 2014, disburse the initial loans provided under this section.

“(c) APPLICATIONS.—

“(1) IN GENERAL.—To be eligible to receive a loan under this section, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

“(2) SELECTION DATE.—Not later than 21 months after the date of enactment of the Energy Savings and Industrial Competitiveness Act of 2014, the Secretary shall select eligible entities to receive the initial loans provided under this section, in accordance with the requirements described in paragraph (3).

“(3) REQUIREMENTS.—In selecting eligible entities to receive loans under this section, the Secretary shall—

“(A) to the maximum extent practicable, ensure—

“(i) that both innovative and established approaches to the challenges of financing energy efficiency upgrades are supported;

“(ii) that energy efficiency upgrades are conducted and validated to comply with best practices for work quality, as determined by the Secretary;

“(iii) regional diversity among eligible entities that receive the loans, including participation by rural States and small States;

“(iv) significant participation by families with income levels at or below the median income level for the applicable geographical region, as determined by the Secretary; and

“(v) the incorporation of an energy advisor program by, as applicable—

“(I) eligible entities; or

“(II) program entities;

“(B) evaluate applications based primarily on—

“(i) the projected reduction in energy use, as determined in accordance with such spe-

cific and commonly available methodology as the Secretary shall establish, by regulation;

“(ii) the creditworthiness of the eligible entity; and

“(iii) the incorporation of measures for making the loan repayment system for recipient households as consumer-friendly as practicable;

“(C) evaluate applications based secondarily on—

“(i) the extent to which the proposed financing program of the eligible entity incorporates best practices for such a program, as determined by the Secretary;

“(ii) (I) whether the eligible entity has created a plan for evaluating the effectiveness of the proposed financing program; and

“(II) whether that plan includes—

“(aa) a robust strategy for collecting, managing, and analyzing data, as well as making the data available to the public; and

“(bb) experimental studies, which may include investigations of how human behavior impacts the effectiveness of efficiency improvements;

“(iii) the extent to which Federal funds are matched by funding from State, local, philanthropic, private sector, and other sources;

“(iv) the extent to which the proposed financing program will be coordinated and marketed with other existing or planned energy efficiency or energy conservation programs administered by—

“(I) utilities and rural cooperatives;

“(II) State, tribal, territorial, or local governments; or

“(III) community development financial institutions; and

“(v) such other factors as the Secretary determines to be appropriate; and

“(D) not provide an advantage or disadvantage to applications that include renewable energy in the program.

“(d) ADMINISTRATIVE PROVISIONS.—

“(1) TERM.—The Secretary shall establish terms for loans provided to eligible entities under this section—

“(A) in a manner that—

“(i) provides for a high degree of cost recovery; and

“(ii) ensures that, with respect to all loans provided to or by eligible entities under this section, the loans are competitive with, or superior to, other forms of financing for similar purposes; and

“(B) subject to the condition that the term of a loan provided to an eligible entity under this section shall not exceed 35 years.

“(2) INTEREST RATES.—

“(A) IN GENERAL.—Subject to subparagraph (B), the Secretary, at the discretion of the Secretary, shall charge interest on a loan provided to an eligible entity under this section at a fixed rate equal, or approximately equal, to the interest rate charged on Treasury securities of comparable maturity.

“(B) LEVERAGED LOANS.—The interest rate and other terms of the loans provided to eligible entities under this section shall be established in a manner that ensures that the total amount of the loans is equal to not less than 20 times, and not more than 50 times, an amount equivalent to 80 percent of the amount appropriated for administrative and general financial support costs pursuant to subsection (g)(2).

“(3) NO PENALTY ON EARLY REPAYMENT.—The Secretary shall not assess any penalty for early repayment by an eligible entity of a loan provided under this section.

“(4) RETURN OF UNUSED PORTION.—As a condition of receipt of a loan under this section, an eligible entity shall agree to return to the general fund of the Treasury any portion of the loan amount that is unused by the eligible entity within a reasonable period after

the date of receipt of the loan, as determined by the Secretary.

“(e) USE OF FUNDS.—

“(1) IN GENERAL.—An eligible entity shall use a loan provided under this section to establish or expand 1 or more financing programs—

“(A) the purpose of which is to enable recipient households to conduct energy efficiency upgrades of residential buildings;

“(B) that may, at the sole discretion of the eligible entity, require an outlay of capital by recipient households in accordance with the goals of the program under this section; and

“(C) that incorporate a consumer-friendly loan repayment approach.

“(2) STRUCTURE OF FINANCING PROGRAM.—A financing program of an eligible entity may—

“(A) consist—

“(i) primarily or entirely of a financing program administered by—

“(I) the applicable State; or

“(II) a program entity; or

“(ii) of a combination of programs described in clause (i);

“(B) rely on financing provided by—

“(i) the eligible entity; or

“(ii) a third party, acting through the eligible entity; and

“(C) include a provision pursuant to which a recipient household shall agree to return to the eligible entity any portion of the assistance that is unused by the recipient household within a reasonable period after the date of receipt of the assistance, as determined by the eligible entity.

“(3) FORM OF ASSISTANCE.—Assistance from an eligible entity under this subsection may be provided in any form, or in accordance with any program, authorized by Federal law (including regulations), including in the form of—

“(A) a revolving loan fund;

“(B) a credit enhancement structure designed to mitigate the effects of default; or

“(C) a program that—

“(i) adopts any other approach for providing financing for energy efficiency upgrades producing significant energy efficiency gains; and

“(ii) incorporates measures for making the loan repayment system for recipient households as consumer-friendly as practicable.

“(4) SCOPE OF ASSISTANCE.—Assistance provided by an eligible entity under this subsection may be used to pay for costs associated with carrying out an energy efficiency upgrade, including materials and labor.

“(5) ADDITIONAL ASSISTANCE.—In addition to the amount of the loan provided to an eligible entity by the Secretary under subsection (b), the eligible entity or program entity, as applicable, may provide to recipient households such assistance under this subsection as the eligible entity or program entity considers to be appropriate from any other funds of the eligible entity or program entity, including funds provided to the eligible entity by the Secretary for administrative costs pursuant to this section.

“(6) LIMITATIONS.—

“(A) INTEREST RATES.—

“(i) INTEREST CHARGED BY ELIGIBLE ENTITIES.—The interest rate charged by an eligible entity on assistance provided under this subsection—

“(I) shall be fixed; and

“(II) shall not exceed the interest rate paid by the eligible entity to the Secretary under subsection (d)(2).

“(ii) INTEREST CHARGED BY PROGRAM ENTITIES.—A program entity that receives funding from an eligible entity under this subsection for the purpose of capitalizing a residential energy efficiency financing program may charge interest on any loan provided by

the program entity at a fixed rate that is as low as practicable, but not more than 5 percent more than the applicable interest rate paid by the eligible entity to the Secretary under subsection (d)(2).

“(B) NO PENALTY ON EARLY REPAYMENT.—An eligible entity or program entity, as applicable, shall not assess any penalty for early repayment by any recipient household to the eligible entity or program entity, as applicable.

“(f) REPORTS.—

“(1) ELIGIBLE ENTITIES.—

“(A) IN GENERAL.—Not later than 2 years after the date of receipt of the loan, and annually thereafter for the term of the loan, an eligible entity that receives a loan under this section shall submit to the Secretary a report describing the performance of each program and activity carried out using the loan, including anonymized loan performance data.

“(B) REQUIREMENTS.—The Secretary, in consultation with eligible entities and other stakeholders (such as lending institutions and the real estate industry), shall establish such requirements for the reports under this paragraph as the Secretary determines to be appropriate—

“(i) to ensure that the reports are clear, consistent, and straightforward; and

“(ii) taking into account the reporting requirements for similar programs in which the eligible entities are participating, if any.

“(2) SECRETARY.—The Secretary shall submit to Congress and make available to the public—

“(A) not less frequently than once each year, a report describing the performance of the program under this section, including a synthesis and analysis of the information provided in the reports submitted to the Secretary under paragraph (1)(A); and

“(B) on termination of the program under this section, an assessment of the success of, and education provided by, the measures carried out by eligible entities during the term of the program.

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section—

“(1) \$37,500,000 for energy advisor programs;

“(2) \$25,000,000 for administrative and general financial support costs to the Secretary of carrying out this section; and

“(3) \$37,500,000 for administrative costs to States in carrying out this section.”

(b) REORGANIZATION.—

(1) IN GENERAL.—Part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.) is amended—

(A) by redesignating sections 362, 363, 364, 365, and 366 as sections 364, 365, 366, 363, and 362, respectively, and moving the sections so as to appear in numerical order;

(B) in section 362 (as so redesignated)—

(i) in paragraph (3)(B)(i), by striking “section 367, and” and inserting “section 367 (as in effect on the day before the date of enactment of the State Energy Efficiency Programs Improvement Act of 1990 (42 U.S.C. 6201 note; Public Law 101-440)); and”; and

(ii) in each of paragraphs (4) and (6), by striking “section 365(e)(1)” each place it appears and inserting “section 363(e)(1)”; and

(C) in section 363 (as so redesignated)—

(i) in subsection (b), by striking “the provisions of sections 362 and 364 and subsection (a) of section 363” and inserting “sections 364, 365(a), and 366”; and

(ii) in subsection (g)(1)(A), in the second sentence, by striking “section 362” and inserting “section 364”; and

(D) in section 365 (as so redesignated)—

(i) in subsection (a)—

(I) in paragraph (1), by striking “section 362,” and inserting “section 364”; and

(II) in paragraph (2), by striking “section 362(b) or (e)” and inserting “subsection (b) or (e) of section 364”; and

(iii) in subsection (b)(2), in the matter preceding subparagraph (A), by striking “section 362(b) or (e)” and inserting “subsection (b) or (e) of section 364”.

(2) CONFORMING AMENDMENTS.—Section 391 of the Energy Policy and Conservation Act (42 U.S.C. 6371) is amended—

(A) in paragraph (2)(M), by striking “section 365(e)(2)” and inserting “section 363(e)(2)”; and

(B) in paragraph (10), by striking “section 362 of this Act” and inserting “section 364”.

(3) CLERICAL AMENDMENT.—The table of contents of the Energy Policy and Conservation Act (42 U.S.C. 6201 note; Public Law 94-163) is amended by striking the items relating to part D of title III and inserting the following:

“PART D—STATE ENERGY CONSERVATION PROGRAMS

“Sec. 361. Findings and purpose.

“Sec. 362. Definitions.

“Sec. 363. General provisions.

“Sec. 364. State energy conservation plans.

“Sec. 365. Federal assistance to States.

“Sec. 366. State energy efficiency goals.

“Sec. 367. Loans for residential building energy efficiency upgrades.”

SEC. 502. OFFSET.

Section 422(f) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17082(f)) is amended—

(1) in paragraph (3), by striking “and” after the semicolon at the end; and

(2) by striking paragraph (4) and inserting the following:

“(4) \$200,000,000 for fiscal year 2013; and

“(5) \$124,000,000 for each of fiscal years 2014 through 2018.”

**SA 3053.** Mr. KING submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

On page 49, between lines 3 and 4, insert the following:

SEC. 152. CREDITS RELATING TO BIOMASS PROPERTY.

(a) RESIDENTIAL ENERGY-EFFICIENT PROPERTY CREDIT FOR BIOMASS FUEL PROPERTY EXPENDITURES.—

(1) ALLOWANCE OF CREDIT.—Subsection (a) of section 25D is amended—

(A) by striking “and” at the end of paragraph (4),

(B) by striking the period at the end of paragraph (5) and inserting “, and”, and

(C) by adding at the end the following new paragraph:

“(6) 30 percent of the qualified biomass fuel property expenditures made by the taxpayer during such year.”

(2) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURES.—Subsection (d) of section 25D is amended by adding at the end the following new paragraph:

“(6) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURE.—

“(A) IN GENERAL.—The term ‘qualified biomass fuel property expenditure’ means an expenditure for property—

“(i) which uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and

“(ii) which has a thermal efficiency rating of at least 75 percent (measured by the higher heating value of the fuel).

“(B) BIOMASS FUEL.—For purposes of this section, the term ‘biomass fuel’ means any

plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues, plants (including aquatic plants), grasses, residues, and fibers. Such term includes densified biomass fuels such as wood pellets.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2013.

(b) INVESTMENT TAX CREDIT FOR BIOMASS HEATING PROPERTY.—

(1) IN GENERAL.—Subparagraph (A) of section 48(a)(3) is amended by striking “or” at the end of clause (vi), by inserting “or” at the end of clause (vii), and by inserting after clause (vii) the following new clause:

“(viii) open-loop biomass (within the meaning of section 45(c)(3)) heating property, including boilers or furnaces which operate at thermal output efficiencies of not less than 65 percent (measured by the higher heating value of the fuel) and which provide thermal energy in the form of heat, hot water, or steam for space heating, air conditioning, domestic hot water, or industrial process heat, but only with respect to periods ending before January 1, 2017.”

(2) 30 PERCENT AND 15 PERCENT CREDITS.—

(A) IN GENERAL.—Subparagraph (A) of section 48(a)(2) is amended—

(i) by redesignating clause (ii) as clause (iii),

(ii) by inserting after clause (i) the following new clause:

“(ii) except as provided in clause (i)(V), 15 percent in the case of energy property described in paragraph (3)(A)(viii), and”, and

(iii) by inserting “or (ii)” after “clause (i)” in clause (iii), as so redesignated.

(B) INCREASED CREDIT FOR GREATER EFFICIENCY.—Clause (i) of section 48(a)(2)(A) is amended by striking “and” at the end of subclause (III) and by inserting after subclause (IV) the following new subclause:

“(V) energy property described in paragraph (3)(A)(viii) which operates at a thermal output efficiency of not less than 80 percent (measured by the higher heating value of the fuel).”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods after the date of the enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

**SA 3054.** Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill S. 2262, to promote energy savings in residential buildings and industry, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

**Subtitle E—Technical Assistance Program**

**SEC. 241. SHORT TITLE.**

This title may be cited as the “Local Energy Supply and Resiliency Act of 2014”.

**SEC. 242. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) a quantity of energy that is more than—

(A) 27 percent of the total energy consumption in the United States is released from power plants in the form of waste heat; and

(B) 36 percent of the total energy consumption in the United States is released from power plants, industrial facilities, and other buildings in the form of waste heat;

(2) waste heat can be—



(A) recovered and distributed to meet building heating or industrial process heating requirements;

(B) converted to chilled water for air conditioning or industrial process cooling; or

(C) converted to electricity;

(3) renewable energy resources in communities in the United States can be used to meet local thermal and electric energy requirements;

(4) use of local energy resources and implementation of local energy infrastructure can strengthen the reliability and resiliency of energy supplies in the United States in response to extreme weather events, power grid failures, or interruptions in the supply of fossil fuels;

(5) use of local waste heat and renewable energy resources—

(A) strengthens United States industrial competitiveness;

(B) helps reduce reliance on fossil fuels and the associated emissions of air pollution and carbon dioxide;

(C) increases energy supply resiliency and security; and

(D) keeps more energy dollars in local economies, thereby creating jobs;

(6) district energy systems represent a key opportunity to tap waste heat and renewable energy resources;

(7) district energy systems are important for expanding implementation of combined heat and power systems because district energy systems provide infrastructure for delivering thermal energy from a CHP system to a substantial base of end users;

(8) district energy systems serve institutions of higher education, hospitals, airports, military bases, and downtown areas;

(9) district energy systems help cut peak power demand and reduce power transmission and distribution system constraints by—

(A) shifting power demand through thermal storage;

(B) generating power near load centers with a CHP system; and

(C) meeting air conditioning demand through the delivery of chilled water produced with heat generated by a CHP system or other energy sources;

(10) evaluation and implementation of district energy systems—

(A) is a complex undertaking involving a variety of technical, economic, legal, and institutional issues and barriers; and

(B) often requires technical assistance to successfully navigate those barriers; and

(1) a major constraint to the use of local waste heat and renewable energy resources is a lack of low-interest, long-term capital funding for implementation.

(b) **PURPOSES.**—The purposes of this title are—

(1) to encourage the use and distribution of waste heat and renewable thermal energy—

(A) to reduce fossil fuel consumption;

(B) to enhance energy supply resiliency, reliability, and security;

(C) to reduce air pollution and greenhouse gas emissions;

(D) to strengthen industrial competitiveness; and

(E) to retain more energy dollars in local economies; and

(2) to facilitate the implementation of a local energy infrastructure that accomplishes the goals described in paragraph (1) by—

(A) providing technical assistance to evaluate, design, and develop projects to build local energy infrastructure; and

(B) facilitating low-cost financing for the construction of local energy infrastructure through the issuance of loan guarantees.

#### SEC. 243. DEFINITIONS.

In this title:

(1) **COMBINED HEAT AND POWER SYSTEM.**—The term “combined heat and power system” or “CHP system” means generation of electric energy and heat in a single, integrated system that meets the efficiency criteria in clauses (ii) and (iii) of section 48(c)(3)(A) of the Internal Revenue Code of 1986, under which heat that is conventionally rejected is recovered and used to meet thermal energy requirements.

(2) **DEMAND RESPONSE.**—The term “demand response” means a change in electricity use by an electric utility customer, as measured against the usual consumption pattern of the consumer, in response to—

(A) a change in the price of electricity during a given period of time; or

(B) an incentive payment designed to induce lower electricity use when—

(i) wholesale market prices are high; or

(ii) system reliability is jeopardized.

(3) **DISTRICT ENERGY SYSTEM.**—The term “district energy system” means a system that provides thermal energy to buildings and other energy consumers from 1 or more plants to individual buildings to provide space heating, air conditioning, domestic hot water, industrial process energy, and other end uses.

(4) **LOCAL ENERGY INFRASTRUCTURE.**—The term “local energy infrastructure” means a system that—

(A) recovers or produces useful thermal or electric energy from waste energy or renewable energy resources;

(B) generates electricity using a combined heat and power system;

(C) distributes electricity in microgrids;

(D) stores thermal energy; or

(E) distributes thermal energy or transfers thermal energy to building heating and cooling systems via a district energy system.

(5) **MICROGRID.**—The term “microgrid” means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that—

(A) acts as a single controllable entity with respect to the grid; and

(B) can connect and disconnect from the grid to enable the microgrid to operate in both grid-connected or island-mode.

(6) **RENEWABLE ENERGY RESOURCE.**—The term “renewable energy resource” means—

(A) closed-loop and open-loop biomass (as defined in paragraphs (2) and (3), respectively, of section 45(c) of the Internal Revenue Code of 1986);

(B) gaseous or liquid fuels produced from the materials described in subparagraph (A);

(C) geothermal energy (as defined in section 45(c)(4) of such Code);

(D) municipal solid waste (as defined in section 45(c)(6) of such Code); or

(E) solar energy (which is used, undefined, in section 45 of such Code).

(7) **RENEWABLE THERMAL ENERGY.**—The term “renewable thermal energy” means—

(A) heating or cooling energy derived from a renewable energy resource;

(B) natural sources of cooling such as cold lake or ocean water; or

(C) other renewable thermal energy sources, as determined by the Secretary.

(8) **SECRETARY.**—The term “Secretary” means the Secretary of Energy.

(9) **THERMAL ENERGY.**—The term “thermal energy” means—

(A) heating energy in the form of hot water or steam that is used to provide space heating, domestic hot water, or process heat; or

(B) cooling energy in the form of chilled water, ice or other media that is used to provide air conditioning, or process cooling.

(10) **WASTE ENERGY.**—The term “waste energy” means energy that—

(A) is contained in—

(i) exhaust gas, exhaust steam, condenser water, jacket cooling heat, or lubricating oil in power generation systems;

(ii) exhaust heat, hot liquids, or flared gas from any industrial process;

(iii) waste gas or industrial tail gas that would otherwise be flared, incinerated, or vented;

(iv) a pressure drop in any gas, excluding any pressure drop to a condenser that subsequently vents the resulting heat;

(v) condenser water from chilled water or refrigeration plants; or

(vi) any other form of waste energy, as determined by the Secretary; and

(B)(i) in the case of an existing facility, is not being used; or

(ii) in the case of a new facility, is not conventionally used in comparable systems.

#### SEC. 244. TECHNICAL ASSISTANCE PROGRAM.

(a) **ESTABLISHMENT.**—

(1) **IN GENERAL.**—The Secretary shall establish a program to disseminate information and provide technical assistance, directly through the establishment of 1 or more clean energy application centers or through grants so that recipients may contract to obtain technical assistance, to assist eligible entities in identifying, evaluating, planning, and designing local energy infrastructure.

(2) **TECHNICAL ASSISTANCE.**—The technical assistance under paragraph (1) shall include assistance with 1 or more of the following:

(A) Identification of opportunities to use waste energy or renewable energy resources.

(B) Assessment of technical and economic characteristics.

(C) Utility interconnection.

(D) Negotiation of power and fuel contracts, including assessment of the value of demand response capabilities.

(E) Permitting and siting issues.

(F) Marketing and contract negotiations.

(G) Business planning and financial analysis.

(H) Engineering design.

(3) **INFORMATION DISSEMINATION.**—The information disseminated under paragraph (1) shall include—

(A) information relating to the topics identified in paragraph (2), including case studies of successful examples; and

(B) computer software for assessment, design, and operation and maintenance of local energy infrastructure.

(b) **ELIGIBLE ENTITY.**—Any nonprofit or for-profit entity shall be eligible to receive assistance under the program established under subsection (a).

(c) **ELIGIBLE COSTS.**—On application by an eligible entity, the Secretary may award a grant to the eligible entity to provide amounts to cover not more than—

(1) 100 percent of the cost of initial assessment to identify local energy opportunities;

(2) 75 percent of the cost of feasibility studies to assess the potential for the implementation of local energy infrastructure;

(3) 60 percent of the cost of guidance on overcoming barriers to the implementation of local energy infrastructure, including financial, contracting, siting, and permitting issues; and

(4) 45 percent of the cost of detailed engineering of local energy infrastructure.

(d) **APPLICATIONS.**—

(1) **IN GENERAL.**—An eligible entity desiring technical assistance under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require under the rules and procedures adopted under subsection (f).

(2) **APPLICATION PROCESS.**—The Secretary shall solicit applications for technical assistance under this section—

(A) on a competitive basis; and

(B) on a periodic basis, but not less frequently than once every 12 months.

(e) **PRIORITIES.**—In evaluating projects, the Secretary shall give priority to projects that have the greatest potential for—

(1) maximizing elimination of fossil fuel use;

(2) strengthening the reliability of local energy supplies and boosting the resiliency of energy infrastructure to the impact of extreme weather events, power grid failures, and interruptions in supply of fossil fuels;

(3) minimizing environmental impact, including regulated air pollutants, greenhouse gas emissions, and use of ozone-depleting refrigerants;

(4) facilitating use of renewable energy resources;

(5) increasing industrial competitiveness; and

(6) maximizing local job creation.

(f) **RULES AND PROCEDURES.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall adopt rules and procedures for the administration of the program established under this section, consistent with the provisions of this title.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$100,000,000 for the period of fiscal years 2014 through 2018, to remain available until expended.

#### **SEC. 245. LOAN GUARANTEES FOR LOCAL ENERGY INFRASTRUCTURE.**

(a) **ASSURANCE OF REPAYMENT.**—Section 1702(d) of the Energy Policy Act of 2005 (42 U.S.C. 16512(d)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4); and

(2) by inserting after paragraph (1) the following:

“(2) **LOCAL ENERGY INFRASTRUCTURE DOCUMENTATION.**—No guarantee shall be made for local energy infrastructure unless the borrower submits to the Secretary—

“(A) an independent engineering report, prepared by an engineer with experience in the industry and familiarity with similar projects, that includes detailed information on—

“(i) how the technology to be employed in the project is a proven, commercial technology;

“(ii) project siting;

“(iii) engineering and design;

“(iv) permitting and environmental compliance;

“(v) testing and commissioning; and

“(vi) operations and maintenance;

“(B) a detailed description of the overall financial plan for the proposed project, including all sources and uses of funding, equity and debt, and the liability of parties associated with the project over the term of the guarantee agreement;

“(C) all applicable financial statements of the borrower and any non-Federal parties providing financial assistance to the borrower, which shall have been audited by an independent certified public accountant;

“(D) the business plan on which the project is based and a financial model presenting project pro forma statements for the proposed term of the guarantee, including income statements, balance sheets, and cash flows;

“(E) a copy of any power purchase agreement, thermal energy purchase agreement, and other long-term offtake or revenue-generating agreement that will be the primary source of revenue for the project, including repayment of the debt obligations for which a guarantee is sought; and

“(F) a list of each engineering and design contractor, construction contractor, and equipment supplier for the project, as well as any performance guarantee, performance

bond, liquidated damages provision, and equipment warranty to be provided.”.

(b) **ELIGIBLE PROJECTS.**—Section 1703 of the Energy Policy Act of 2005 (42 U.S.C. 16513) is amended—

(1) in subsection (b), by adding at the end the following:

“(11) Local energy infrastructure, as defined in section 243 of the Local Energy Supply and Resiliency Act of 2014.”; and

(2) by adding at the end the following:

“(f) **SPECIAL RULES FOR LOCAL ENERGY INFRASTRUCTURE.**—

“(1) **IN GENERAL.**—Subsection (a)(2) shall not apply to a project described in subsection (b)(11).

“(2) **REQUIREMENTS FOR LOAN GUARANTEE.**—A loan guarantee shall only be made available for a project described in subsection (b)(11) to the extent specifically provided for in advance by an appropriations Act enacted after the date of enactment of the Local Energy Supply and Resiliency Act of 2014.”.

#### **SEC. 246. DEFINITION OF INVESTMENT AREA.**

Section 103(16) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702(16)) is amended—

(1) in subparagraph (A)(ii), by striking “or” at the end;

(2) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C) has the potential for implementation of local energy infrastructure (as defined in section 243 of the Local Energy Supply and Resiliency Act of 2014).”.

#### **SEC. 247. STATE ENERGY CONSERVATION PLANS.**

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

(1) in paragraph (16), by striking “and” at the end;

(2) by redesignating paragraph (17) as paragraph (18); and

(3) by inserting after paragraph (16) the following:

“(17) programs to support the evaluation and implementation of local energy infrastructure (as defined in section 243 of the Local Energy Supply and Resiliency Act of 2014).”.

Strike section 501 and insert the following:

#### **SEC. 501. OFFSET.**

Section 422(f) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17082(f)) is amended—

(1) in paragraph (3), by striking “and” after the semicolon at the end; and

(2) by striking paragraph (4) and inserting the following:

“(4) \$200,000,000 for fiscal year 2013;

“(5) \$180,000,000 for fiscal year 2014;

“(6) \$130,000,000 for fiscal year 2015; and

“(7) \$80,000,000 for each of fiscal years 2016 through 2018.”.

### **NOTICES OF HEARINGS**

#### **COMMITTEE ON ENERGY AND NATURAL RESOURCES**

Ms. LANDRIEU. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources on Tuesday, May 13, 2014, at 10 a.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to consider the nominations of Dr. Suzette M. Kimball, to be Director of the United States Geological Survey; Mr. Estevan R. Lopez, to be Commissioner of Rec-

lamation; and Dr. Monica C. Regalbuto, to be an Assistant Secretary of Energy, Environmental Management.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send it to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510-6150, or by email to Sallie\_Derr@energy.senate.gov.

For further information, please contact Sam Fowler at (202) 224-7571 or Sallie Derr at (202) 224-6836.

#### **COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS**

Mr. HARKIN. Mr. President, I wish to announce that the Committee on Health, Education, Labor, and Pensions will meet in executive session on Wednesday, May 14, 2014, at 10 a.m., in room SD-430 of the Dirksen Senate Office Building to mark-up S. \_\_\_, The Strong Start for America's Children Act; the nomination of R. Jane Chu, of Missouri, to serve as Chairperson of the National Endowment for the Arts; as well as any additional nominations cleared for action.

For further information regarding this meeting, please contact the Committee at (202) 224-5375.

#### **PERMANENT SUBCOMMITTEE ON INVESTIGATIONS**

Mr. LEVIN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs has scheduled a hearing entitled, “Online Advertising and Hidden Hazards to Consumer Security and Data Privacy.” The Subcommittee will be examining consumer security and data privacy in the online advertising industry, an investigation led by Senator MCCAIN. Specifically, the Subcommittee is investigating data collection processes and security vulnerabilities that have inflicted significant costs on Internet users and American businesses. Witnesses will include representatives of the online advertising industry and an online self-regulatory organization, an online advertising expert, as well as a representative from the Federal Trade Commission. A witness list will be available Monday, May 12, 2014.

The Subcommittee hearing has been scheduled for Thursday, May 15, 2014, at 9:30 a.m., in Room 342 of the Dirksen Senate Office Building. For further information, please contact Elise Bean of the Permanent Subcommittee on Investigations at (202) 224-9505.

#### **COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS**

Mr. HARKIN. Mr. President, I wish to announce that the Committee on Health, Education, Labor, and Pensions will meet on May 15, 2014, at 10 a.m., in room SD-430 of the Dirksen Senate Office Building, to conduct a hearing entitled “Progress and Challenges: The State of Tobacco Use and Regulation in the U.S.”