

including the identification of community-level economic and environmental impacts required under section 18773(b)(1)(C) of this title, with the efforts of the Environmental Protection Agency and other relevant Federal agencies, as determined by the Administrator, to identify similar impacts, opportunities, and patterns.

(Pub. L. 117–58, div. D, title IV, §40419, Nov. 15, 2021, 135 Stat. 1047.)

Statutory Notes and Related Subsidiaries

WAGE RATE REQUIREMENTS

For provisions relating to rates of wages to be paid to laborers and mechanics on projects for construction, alteration, or repair work funded under div. D or an amendment by div. D of Pub. L. 117–58, including authority of Secretary of Labor, see section 18851 of this title.

SUBCHAPTER V—ENERGY EFFICIENCY AND BUILDING INFRASTRUCTURE

PART A—RESIDENTIAL AND COMMERCIAL ENERGY EFFICIENCY

§ 18791. Definitions

In this part:

(1) Priority State

The term “priority State” means a State that—

(A) is eligible for funding under the State Energy Program; and

(B)(i) is among the 15 States with the highest annual per-capita combined residential and commercial sector energy consumption, as most recently reported by the Energy Information Administration; or

(ii) is among the 15 States with the highest annual per-capita energy-related carbon dioxide emissions by State, as most recently reported by the Energy Information Administration.

(2) Program

The term “program” means the program established under section 18792(a) of this title.

(3) State

The term “State” means a State (as defined in section 6202 of this title), acting through a State energy office.

(4) State Energy Program

The term “State Energy Program” means the State Energy Program established under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.).

(Pub. L. 117–58, div. D, title V, §40501, Nov. 15, 2021, 135 Stat. 1050.)

Editorial Notes

REFERENCES IN TEXT

The Energy Policy and Conservation Act, referred to in par. (4), is Pub. L. 94–163, Dec. 22, 1975, 89 Stat. 871. Part D of title III of the Act is classified generally to part B (§6321 et seq.) of subchapter III of chapter 77 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 6201 of this title and Tables.

Statutory Notes and Related Subsidiaries

WAGE RATE REQUIREMENTS

For provisions relating to rates of wages to be paid to laborers and mechanics on projects for construction, alteration, or repair work funded under div. D or an amendment by div. D of Pub. L. 117–58, including authority of Secretary of Labor, see section 18851 of this title.

§ 18792. Energy efficiency revolving loan fund capitalization grant program

(a) In general

Not later than 1 year after November 15, 2021, under the State Energy Program, the Secretary shall establish a program under which the Secretary shall provide capitalization grants to States to establish a revolving loan fund under which the State shall provide loans and grants, as applicable, in accordance with this section.

(b) Distribution of funds

(1) All States

(A) In general

Of the amounts made available under subsection (j), the Secretary shall use 40 percent to provide capitalization grants to States that are eligible for funding under the State Energy Program, in accordance with the allocation formula established under section 420.11 of title 10, Code of Federal Regulations (or successor regulations).

(B) Remaining funding

After applying the allocation formula described in subparagraph (A), the Secretary shall redistribute any unclaimed funds to the remaining States seeking capitalization grants under that subparagraph.

(2) Priority States

(A) In general

Of the amounts made available under subsection (j), the Secretary shall use 60 percent to provide supplemental capitalization grants to priority States in accordance with an allocation formula determined by the Secretary.

(B) Remaining funding

After applying the allocation formula described in subparagraph (A), the Secretary shall redistribute any unclaimed funds to the remaining priority States seeking supplemental capitalization grants under that subparagraph.

(C) Grant amount

(i) Maximum amount

The amount of a supplemental capitalization grant provided to a State under this paragraph shall not exceed \$15,000,000.

(ii) Supplement not supplant

A supplemental capitalization grant received by a State under this paragraph shall supplement, not supplant, a capitalization grant received by that State under paragraph (1).

(c) Applications for capitalization grants

A State seeking a capitalization grant under the program shall submit to the Secretary an

application at such time, in such manner, and containing such information as the Secretary may require, including—

- (1) a detailed explanation of how the grant will be used, including a plan to establish a new revolving loan fund or use an existing revolving loan fund;
- (2) the need of eligible recipients for loans and grants in the State for assistance with conducting energy audits;
- (3) a description of the expected benefits that building infrastructure and energy system upgrades and retrofits will have on communities in the State; and
- (4) in the case of a priority State seeking a supplemental capitalization grant under subsection (b)(2), a justification for needing the supplemental funding.

(d) Timing

(1) In general

The Secretary shall establish a timeline with dates by, or periods by the end of, which a State shall—

- (A) on receipt of a capitalization grant under the program, deposit the grant funds into a revolving loan fund; and
- (B) begin using the capitalization grant as described in subsection (e)(1).

(2) Use of grant

Under the timeline established under paragraph (1), a State shall be required to begin using a capitalization grant not more than 180 days after the date on which the grant is received.

(e) Use of grant funds

(1) In general

A State that receives a capitalization grant under the program—

- (A) shall provide loans in accordance with paragraph (2); and
- (B) may provide grants in accordance with paragraph (3).

(2) Loans

(A) Commercial energy audit

(i) In general

A State that receives a capitalization grant under the program may provide a loan to an eligible recipient described in clause (iv) to conduct a commercial energy audit.

(ii) Audit requirements

A commercial energy audit conducted using a loan provided under clause (i) shall—

- (I) determine the overall consumption of energy of the facility of the eligible recipient;
- (II) identify and recommend lifecycle cost-effective opportunities to reduce the energy consumption of the facility of the eligible recipient, including through energy efficient—
 - (aa) lighting;
 - (bb) heating, ventilation, and air conditioning systems;
 - (cc) windows;

- (dd) appliances; and
- (ee) insulation and building envelopes;

(III) estimate the energy and cost savings potential of the opportunities identified in subclause (II) using software approved by the Secretary;

(IV) identify—

- (aa) the period and level of peak energy demand for each building within the facility of the eligible recipient; and

(bb) the sources of energy consumption that are contributing the most to that period of peak energy demand;

(V) recommend controls and management systems to reduce or redistribute peak energy consumption; and

(VI) estimate the total energy and cost savings potential for the facility of the eligible recipient if all recommended upgrades and retrofits are implemented, using software approved by the Secretary.

(iii) Additional audit inclusions

A commercial energy audit conducted using a loan provided under clause (i) may recommend strategies to increase energy efficiency of the facility of the eligible recipient through use of electric systems or other high-efficiency systems utilizing fuels, including natural gas and hydrogen.

(iv) Eligible recipients

An eligible recipient under clause (i) is a business that—

- (I) conducts the majority of its business in the State that provides the loan under that clause; and
- (II) owns or operates—
 - (aa) 1 or more commercial buildings; or
 - (bb) commercial space within a building that serves multiple functions, such as a building for commercial and residential operations.

(B) Residential energy audits

(i) In general

A State that receives a capitalization grant under the program may provide a loan to an eligible recipient described in clause (iv) to conduct a residential energy audit.

(ii) Residential energy audit requirements

A residential energy audit conducted using a loan under clause (i) shall—

- (I) utilize the same evaluation criteria as the Home Performance Assessment used in the Energy Star program established under section 6294a of this title;
- (II) recommend lifecycle cost-effective opportunities to reduce energy consumption within the residential building of the eligible recipient, including through energy efficient—
 - (aa) lighting;
 - (bb) heating, ventilation, and air conditioning systems;

- (cc) windows;
- (dd) appliances; and
- (ee) insulation and building envelopes;

(III) recommend controls and management systems to reduce or redistribute peak energy consumption;

(IV) compare the energy consumption of the residential building of the eligible recipient to comparable residential buildings in the same geographic area; and

(V) provide a Home Energy Score, or equivalent score (as determined by the Secretary), for the residential building of the eligible recipient by using the Home Energy Score Tool of the Department or an equivalent scoring tool.

(iii) Additional audit inclusions

A residential energy audit conducted using a loan provided under clause (i) may recommend strategies to increase energy efficiency of the facility of the eligible recipient through use of electric systems or other high-efficiency systems utilizing fuels, including natural gas and hydrogen.

(iv) Eligible recipients

An eligible recipient under clause (i) is—

- (I) an individual who owns—
 - (aa) a single family home;
 - (bb) a condominium or duplex; or
 - (cc) a manufactured housing unit; or

(II) a business that owns or operates a multifamily housing facility.

(C) Commercial and residential energy upgrades and retrofits

(i) In general

A State that receives a capitalization grant under the program may provide a loan to an eligible recipient described in clause (ii) to carry out upgrades or retrofits of building infrastructure and systems that—

(I) are recommended in the commercial energy audit or residential energy audit, as applicable, completed for the building or facility of the eligible recipient;

(II) satisfy at least 1 of the criteria in the Home Performance Assessment used in the Energy Star program established under section 6294a of this title;

(III) improve, with respect to the building or facility of the eligible recipient—

- (aa) the physical comfort of the building or facility occupants;
- (bb) the energy efficiency of the building or facility; or
- (cc) the quality of the air in the building or facility; and

(IV)(aa) are lifecycle cost-effective; and

(bb)(AA) reduce the energy intensity of the building or facility of the eligible recipient; or

(BB) improve the control and management of energy usage of the building or

facility to reduce demand during peak times.

(ii) Eligible recipients

An eligible recipient under clause (i) is an eligible recipient described in subparagraph (A)(iv) or (B)(iv) that—

(I) has completed a commercial energy audit described in subparagraph (A) or a residential energy audit described in subparagraph (B) using a loan provided under the applicable subparagraph; or

(II) has completed a commercial energy audit or residential energy audit that—

(aa) was not funded by a loan under this paragraph; and

(bb)(AA) meets the requirements for the applicable audit under subparagraph (A) or (B), as applicable; or

(BB) the Secretary determines is otherwise satisfactory.

(iii) Loan term

(I) In general

A loan provided under this subparagraph shall be required to be fully amortized by the earlier of—

(aa) subject to subclause (II), the year in which the upgrades or retrofits carried out using the loan exceed their expected useful life; and

(bb) 15 years after those upgrades or retrofits are installed.

(II) Calculation

For purposes of subclause (I)(aa), in the case of a loan being used to fund multiple upgrades or retrofits, the longest-lived upgrade or retrofit shall be used to calculate the year in which the upgrades or retrofits carried out using the loan exceed their expected useful life.

(D) Referral to qualified contractors

Following the completion of an audit under subparagraph (A) or (B) by an eligible recipient of a loan under the applicable subparagraph, the State may refer the eligible recipient to a qualified contractor, as determined by the State, to estimate—

(i) the upfront capital cost of each recommended upgrade; and

(ii) the total upfront capital cost of implementing all recommended upgrades.

(E) Loan recipients

Each State providing loans under this paragraph shall, to the maximum extent practicable, provide loans to eligible recipients that do not have access to private capital.

(3) Grants and technical assistance

(A) In general

A State that receives a capitalization grant under the program may use not more than 25 percent of the grant funds to provide grants or technical assistance to eligible entities described in subparagraph (B) to carry out the activities described in subparagraphs (A), (B), and (C) of paragraph (2).

(B) Eligible entity

An entity eligible for a grant or technical assistance under subparagraph (A) is—

- (i) a business that—
 - (I) is an eligible recipient described in paragraph (2)(A)(iv); and
 - (II) has fewer than 500 employees; or
- (ii) a low-income individual (as defined in section 3102 of title 29) that owns a residential building.

(4) Final assessment

A State that provides a capitalization grant under paragraph (2)(C) to an eligible recipient described in clause (ii) of that paragraph may, not later than 1 year after the date on which the upgrades or retrofits funded by the grant under that paragraph are completed, provide to the eligible recipient a loan or, in accordance with paragraph (3), a grant to conduct a final energy audit that assesses the total energy savings from the upgrades or retrofits.

(5) Administrative expenses

A State that receives a capitalization grant under the program may use not more than 10 percent of the grant funds for administrative expenses.

(f) Coordination with existing programs

A State receiving a capitalization grant under the program is encouraged to utilize and build on existing programs and infrastructure within the State that may aid the State in carrying out a revolving loan fund program.

(g) Leveraging private capital

A State receiving a capitalization grant under the program shall, to the maximum extent practicable, use the grant to leverage private capital.

(h) Outreach

The Secretary shall engage in outreach to inform States of the availability of capitalization grants under the program.

(i) Report

Each State that receives a capitalization grant under the program shall, not later than 2 years after a grant is received, submit to the Secretary a report that describes—

- (1) the number of recipients to which the State has distributed—
 - (A) loans for—
 - (i) commercial energy audits under subsection (e)(2)(A);
 - (ii) residential energy audits under subsection (e)(2)(B);
 - (iii) energy upgrades and retrofits under subsection (e)(2)(C); and
 - (B) grants under subsection (e)(3); and
- (2) the average capital cost of upgrades and retrofits across all commercial energy audits and residential energy audits that were conducted in the State using loans provided by the State under subsection (e).

(j) Authorization of appropriations

There is authorized to be appropriated to the Secretary to carry out this section \$250,000,000 for fiscal year 2022, to remain available until expended.

(Pub. L. 117–58, div. D, title V, §40502, Nov. 15, 2021, 135 Stat. 1051.)

Statutory Notes and Related Subsidiaries**WAGE RATE REQUIREMENTS**

For provisions relating to rates of wages to be paid to laborers and mechanics on projects for construction, alteration, or repair work funded under div. D or an amendment by div. D of Pub. L. 117–58, including authority of Secretary of Labor, see section 18851 of this title.

§ 18793. Energy auditor training grant program**(a) Definitions**

In this section:

(1) Covered certification

The term “covered certification” means any of the following certifications:

- (A) The American Society of Heating, Refrigerating and Air-Conditioning Engineers Building Energy Assessment Professional certification.
- (B) The Association of Energy Engineers Certified Energy Auditor certification.
- (C) The Building Performance Institute Home Energy Professional Energy Auditor certification.
- (D) The Residential Energy Services Network Home Energy Rater certification.
- (E) Any other third-party certification recognized by the Department.
- (F) Any third-party certification that the Secretary determines is equivalent to the certifications described in subparagraphs (A) through (E).

(2) Eligible State

The term “eligible State” means a State that—

- (A) has a demonstrated need for assistance for training energy auditors; and
- (B) meets any additional criteria determined necessary by the Secretary.

(b) Establishment

Under the State Energy Program, the Secretary shall establish a competitive grant program under which the Secretary shall award grants to eligible States to train individuals to conduct energy audits or surveys of commercial and residential buildings.

(c) Applications**(1) In general**

A State seeking a grant under subsection (b) shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including the energy auditor training program plan described in paragraph (2).

(2) Energy auditor training program plan

An energy auditor training program plan submitted with an application under paragraph (1) shall include—

- (A)(i) a proposed training curriculum for energy audit trainees; and
- (ii) an identification of the covered certification that those trainees will receive on completion of that training curriculum;