

111TH CONGRESS
2^D SESSION

H. R. 5019

To provide for the establishment of the Home Star Retrofit Rebate Program,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2010

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

A BILL

To provide for the establishment of the Home Star Retrofit
Rebate Program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Home Star Energy
5 Retrofit Act of 2010”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) ACCREDITED CONTRACTOR.—The term “ac-
2 credited contractor” means a qualified contractor
3 that is accredited—

4 (A) by the BPI; or

5 (B) under other standards approved by the
6 Secretary, in consultation with the Adminis-
7 trator.

8 (2) ADMINISTRATOR.—The term “Adminis-
9 trator” means the Administrator of the Environ-
10 mental Protection Agency.

11 (3) BPI.—The term “BPI” means the Building
12 Performance Institute.

13 (4) CERTIFIED WORKFORCE.—The term “cer-
14 tified workforce” means a residential energy effi-
15 ciency construction workforce in which all employees
16 performing installation work are certified in the ap-
17 propriate job skills under—

18 (A) an applicable third party skills stand-
19 ard established by—

20 (i) BPI;

21 (ii) North American Technician Excel-
22 lence;

23 (iii) the Laborers’ International Union
24 of North America; or

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

4 (5) CONDITIONED SPACE.—The term “condi-
5 tioned space” means the area of a home that is—

6 (A) intended for habitation; and

7 (B) intentionally heated or cooled.

8 (6) DOE.—The term “DOE” means the De-
9 partment of Energy.

10 (7) ELECTRIC UTILITY.—The term “electric
11 utility” means any person, State agency, rural elec-
12 tric cooperative, municipality, or other governmental
13 entity that delivers or sells electric energy at retail,
14 including nonregulated utilities and utilities that are
15 subject to State regulation and Federal power mar-
16 keting administrations.

17 (8) EPA.—The term “EPA” means the Envi-
18 ronmental Protection Agency.

19 (9) FEDERAL REBATE PROCESSING SYSTEM.—
20 The term “Federal Rebate Processing System”
21 means the Federal Rebate Processing System estab-
22 lished under section 3(b).

23 (10) GOLD STAR HOME ENERGY RETROFIT PRO-
24 GRAM.—The term “Gold Star Home Energy Retrofit

1 Program” means the Gold Star Home Energy Ret-
2 rofit Program established under section 6.

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

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

7 (B) was constructed before the date of en-
8 actment of this Act.

9 (12) HOME STAR LOAN PROGRAM.—The term
10 “Home Star Loan Program” means the Home Star
11 Energy Efficiency Loan Program established under
12 section 12.

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

17 (14) NATIONAL HOME PERFORMANCE COUN-
18 CIL.—The term “National Home Performance Coun-
19 cil” means the National Home Performance Council,
20 Inc.

21 (15) NATURAL GAS UTILITY.—The term “nat-
22 ural gas utility” means any person or State agency
23 that transports, distributes, or sells natural gas at
24 retail, including nonregulated utilities and utilities
25 that are subject to State regulation.

1 (16) QUALIFIED CONTRACTOR.—The term
2 “qualified contractor” means a residential energy ef-
3 ficiency contractor meeting minimum applicable re-
4 quirements as determined under section 3(c).

5 (17) QUALITY ASSURANCE PROGRAM.—

6 (A) IN GENERAL.—The term “quality as-
7 surance program” means a program authorized
8 under this Act to oversee the delivery of home
9 efficiency retrofit programs to ensure that work
10 is performed in accordance with standards and
11 criteria established under this Act.

12 (B) INCLUSIONS.—For purposes of sub-
13 paragraph (A), delivery of retrofit programs in-
14 cludes field inspections required under this Act,
15 with the consent of participating consumers and
16 without delaying rebate payments to partici-
17 pating contractors and vendors.

18 (18) QUALITY ASSURANCE PROVIDER.—

19 (A) IN GENERAL.—The term “quality as-
20 surance provider” means any entity that is au-
21 thorized pursuant to this Act to perform field
22 inspections and other measures required to con-
23 firm the compliance of retrofit work with the
24 requirements of this Act.

1 (B) CERTIFICATION REQUIREMENT.—To
2 be considered a quality assurance provider
3 under this paragraph, an entity shall be cer-
4 tified through—

5 (i) the International Code Council;

6 (ii) the BPI;

7 (iii) the RESNET;

8 (iv) a State;

9 (v) a State-approved residential en-
10 ergy efficiency retrofit program; or

11 (vi) any other entity designated for
12 such purpose by the Secretary, in consulta-
13 tion with the Administrator.

14 (19) REBATE AGGREGATOR.—The term “rebate
15 aggregator” means an entity that meets the require-
16 ments of section 4.

17 (20) RESNET.—The term “RESNET” means
18 the Residential Energy Services Network.

19 (21) SECRETARY.—The term “Secretary”
20 means the Secretary of Energy.

21 (22) SILVER STAR HOME ENERGY RETROFIT
22 PROGRAM.—The term “Silver Star Home Energy
23 Retrofit Program” means the Silver Star Home En-
24 ergy Retrofit Program established under section 5.

25 (23) STATE.—The term “State” means—

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

10 **SEC. 3. HOME STAR RETROFIT REBATE PROGRAM.**

11 (a) IN GENERAL.—The Secretary shall establish the

12 Home Star Retrofit Rebate Program.

13 (b) FEDERAL REBATE PROCESSING SYSTEM.—

14 (1) IN GENERAL.—Not later than 30 days after

15 the date of enactment of this Act, the Secretary, in

16 consultation with the Secretary of the Treasury and

17 the Administrator, shall—

18 (A) establish a Federal Rebate Processing

19 System which shall serve as a database and in-

20 formation technology system to allow rebate

21 aggregators to submit claims for reimbursement

22 using standard data protocols;

23 (B) establish a national retrofit website

24 that provides information on the Home Star

25 Retrofit Rebate Program, including how to de-

1 termine whether particular energy efficiency
2 measures are eligible for rebate and how to par-
3 ticipate in the program; and

4 (C) publish model forms and data proto-
5 cols for use by contractors, vendors, and quality
6 assurance providers to comply with the require-
7 ments of this Act.

8 (2) MODEL CERTIFICATION FORMS.—In car-
9 rying out this section, the Secretary shall consider
10 the model certification forms developed by the Na-
11 tional Home Performance Council.

12 (c) QUALIFIED CONTRACTOR REQUIREMENTS.—A
13 qualified contractor may perform retrofit work for which
14 rebates are authorized under this Act only if it executes
15 a Home Star participation agreement with a rebate
16 aggregator affirming that it meets applicable require-
17 ments, including—

18 (1) all applicable State contractor licensing re-
19 quirements or, with respect to a State that has no
20 such requirements, any appropriate comparable re-
21 quirements established under paragraph (6);

22 (2) insurance coverage of at least \$1,000,000
23 for general liability, and for such other purposes and
24 in such other amounts as may be required by the
25 State;

1 (3) agreeing to provide warranties to home-
2 owners that completed work will—

3 (A) be free of significant defects;

4 (B) be installed in accordance with the
5 specifications of the manufacturer; and

6 (C) perform properly for a period of at
7 least 1 year after the date of completion of the
8 work;

9 (4) agreeing to pass through to the owner of a
10 home, through a discount, the full economic value of
11 all rebates received under this Act with respect to
12 the home;

13 (5) agreeing to provide to the homeowner a no-
14 tice of—

15 (A) the amount of the rebate the con-
16 tractor intends to apply for with respect to the
17 eligible work under this Act, before a contract
18 is executed between the contractor and a home-
19 owner covering the eligible work; and

20 (B) the means by which the rebate will be
21 passed through as a discount to the homeowner;
22 and

23 (6) any other appropriate requirements as de-
24 termined by the Secretary, in consultation with the
25 Administrator.

1 (d) ADMINISTRATIVE AND TECHNICAL SUPPORT.—
2 Subject to section 13 (b) and (c), beginning not later than
3 30 days after the date of enactment of this Act, the Sec-
4 retary shall provide such administrative and technical sup-
5 port to rebate aggregators and States as is necessary to
6 carry out this Act.

7 (e) ADMINISTRATION.—

8 (1) APPOINTMENT OF PERSONNEL.—Notwith-
9 standing the provisions of title 5, United States
10 Code, governing appointments in the competitive
11 service and General Schedule classifications and pay
12 rates, the Secretary may appoint such professional
13 and administrative personnel as the Secretary con-
14 siders necessary to carry out this Act.

15 (2) RATE OF PAY.—The rate of pay for a per-
16 son appointed under paragraph (1) shall not exceed
17 the maximum rate payable for GS–15 of the General
18 Schedule under chapter 53 of title 5, United States
19 Code.

20 (3) CONSULTANTS.—Notwithstanding section
21 303 of the Federal Property and Administrative
22 Services Act of 1949 (41 U.S.C. 253), the Secretary
23 may retain such consultants on a noncompetitive
24 basis as the Secretary considers necessary to carry
25 out this Act.

1 (4) CONTRACTING.—In carrying out this Act,
2 the Secretary may waive all or part of any provision
3 of the Competition in Contracting Act of 1984 (Pub-
4 lic Law 98–369; 98 Stat. 1175), an amendment
5 made by that Act, or the Federal Acquisition Regu-
6 lation on a determination that circumstances make
7 compliance with the provisions contrary to the public
8 interest.

9 (5) REGULATIONS.—

10 (A) IN GENERAL.—Notwithstanding sec-
11 tion 553 of title 5, United States Code, the Sec-
12 retary may issue regulations that the Secretary,
13 in the sole discretion of the Secretary, deter-
14 mines necessary to—

15 (i) establish;

16 (ii) achieve full operational status
17 within 60 days after the date of enactment
18 of this Act for; or

19 (iii) carry out,

20 the Home Star Retrofit Rebate Program.

21 (B) TIMING.—If the Secretary determines
22 that regulations described in subparagraph (A)
23 are necessary, the regulations shall be issued
24 not later than 60 days after such determina-
25 tion.

1 (6) INFORMATION COLLECTION.—Chapter 35 of
2 title 44, United States Code, shall not apply to any
3 information collection requirement necessary for the
4 implementation of the Home Star Retrofit Rebate
5 Program.

6 (7) EFFECTIVE PERIOD.—Paragraphs (1), (3),
7 (4), (5), and (6) shall be effective only for fiscal
8 years 2010 and 2011.

9 (f) PROGRAM REVIEW.—Not later than 180 days
10 after the date of enactment of this Act, the Secretary shall
11 prepare and transmit to Congress a State-by-State anal-
12 ysis and review the distribution of Home Star retrofit re-
13 bates under this Act.

14 (g) ADJUSTMENT OF REBATE AMOUNTS.—Effective
15 beginning on the date that is 180 days after the date of
16 enactment of this Act, the Secretary may, after not less
17 than 30 days public notice, prospectively adjust the rebate
18 amounts provided for under this Act as necessary to opti-
19 mize the overall energy efficiency resulting from the Silver
20 Star Home Energy Retrofit Program and the Gold Star
21 Home Energy Retrofit Program.

22 (h) INDIAN TRIBE PARTICIPATION.—

23 (1) IN GENERAL.—An Indian tribe, within 30
24 days after the date of enactment of this Act, may in-
25 dicate to the Secretary its intention to act in place

1 of a State for purposes of carrying out the respon-
2 sibilities of the State under this Act with respect to
3 its tribal lands. If the Indian tribe so indicates, the
4 Secretary shall treat the Indian tribe as the State
5 for purposes of carrying out this Act with respect to
6 those tribal lands.

7 (2) TRANSITION OF RESPONSIBILITIES.—The
8 Secretary may permit an Indian tribe, after the expi-
9 ration of 30 days after the date of enactment of this
10 Act, to assume the responsibilities of a State under
11 this Act with respect to its tribal lands if the Sec-
12 retary finds that such assumption of responsibilities
13 will not disrupt the ongoing administration of the
14 program under this Act.

15 (3) COOPERATION.—An Indian tribe may co-
16 operate with a State or the Secretary to ensure that
17 all of the requirements of this Act are carried out
18 with respect to the tribal lands.

19 (i) IMPLEMENTATION BY SECRETARY.—

20 (1) IN GENERAL.—If a State has not indicated
21 to the Secretary within 30 days after the date of en-
22 actment of this Act that it is prepared to carry out
23 section 7, or if at any later time the Secretary deter-
24 mines that a State is no longer prepared to carry
25 out section 7, to the extent that no Indian tribe as-

1 sumes such responsibilities under subsection (h) the
2 Secretary shall assume the responsibilities of that
3 State with respect to carrying out section 7.

4 (2) TRANSITION OF RESPONSIBILITIES.—The
5 Secretary may permit a State, after the Secretary
6 has assumed the responsibilities of that State under
7 paragraph (1), to assume the responsibilities as-
8 signed to States under section 7 with respect to that
9 State if the Secretary finds that such assumption of
10 responsibilities will not disrupt the ongoing adminis-
11 tration of the program under this Act.

12 (j) LIMITATION.—Rebates may not be provided under
13 both section 5 and section 6 with respect to the same
14 home.

15 (k) FORMS FOR CERTIFICATION AND QUALITY AS-
16 SURANCE.—

17 (1) IN GENERAL.—Not later than 30 days after
18 the date of enactment of this Act, the Secretary
19 shall make available on the website established
20 under subsection (b)(1)(B), model certification
21 forms for compliance with quality assurance require-
22 ments under this Act, to be submitted by—

23 (A) each qualified contractor, accredited
24 contractor, and quality assurance provider on

1 completion of an eligible home energy retrofit;
2 and

3 (B) each quality assurance provider on
4 completion of field verification required under
5 this section.

6 (2) NATIONAL HOME PERFORMANCE COUN-
7 CIL.—The Secretary, States, and Indian tribes shall
8 consider and may use model certification forms de-
9 veloped by the National Home Performance Council
10 to ensure compliance with quality assurance require-
11 ments under this Act.

12 (1) PUBLIC-PRIVATE PARTNERSHIPS.—A State that
13 receives a grant under this Act is encouraged to form part-
14 nerships with utilities, energy service companies, and other
15 entities—

16 (1) to assist in marketing the Home Star Ret-
17 rofit Rebate Program;

18 (2) to facilitate consumer financing;

19 (3) to assist in implementation of the Silver
20 Star Home Energy Retrofit Program and the Gold
21 Star Home Energy Retrofit Program, including in-
22 stallation of qualified energy retrofit measures; and

23 (4) to assist in implementing quality assurance
24 programs.

1 (m) COORDINATION OF REBATE AND EXISTING
2 STATE-SPONSORED PROGRAMS.—

3 (1) IN GENERAL.—A State shall, to the max-
4 imum extent practicable, prevent duplication through
5 coordination of a program authorized under this Act
6 with—

7 (A) the Energy Star appliance rebates pro-
8 gram authorized under section 124 of the En-
9 ergy Policy Act of 2005 (42 U.S.C. 15821),
10 and any other Federal programs that provide
11 funds to States for home or appliance energy
12 efficiency purposes; and

13 (B) comparable programs planned or oper-
14 ated by States, political subdivisions, electric
15 and natural gas utilities, Federal power mar-
16 keting administrations, and Indian tribes.

17 (2) EXISTING PROGRAMS.—In carrying out this
18 subsection, a State shall—

19 (A) give priority to—

20 (i) comprehensive retrofit programs in
21 existence on the date of enactment of this
22 Act, including programs under the super-
23 vision of State utility regulators; and

1 (ii) using funds made available under
2 this Act to enhance and extend existing
3 programs; and

4 (B) seek to enhance and extend existing
5 programs by coordinating with administrators
6 of the programs.

7 (n) HEALTH AND SAFETY REQUIREMENTS.—Noth-
8 ing in this Act shall relieve any contractor from the obliga-
9 tion to comply with applicable Federal, State, and local
10 health and safety code requirements.

11 **SEC. 4. REBATE AGGREGATORS.**

12 (a) IN GENERAL.—The Secretary shall develop a net-
13 work of rebate aggregators that can facilitate the delivery
14 of rebates to participating contractors and vendors, to re-
15 imburse those contractors and vendors for discounts pro-
16 vided to homeowners for energy efficiency retrofit work.
17 The Secretary shall approve or deny an application from
18 a person seeking to become a rebate aggregator not later
19 than 30 days after receiving such application.

20 (b) AVAILABILITY.—Not later than 90 days after the
21 date of enactment of this Act, the Secretary shall ensure
22 that rebate aggregation services are available to all home-
23 owners in the United States at the lowest reasonable cost.

24 (c) RESPONSIBILITIES.—Rebate aggregators shall—

1 (1) review each proposed rebate application for
2 completeness and accuracy;

3 (2) review all measures for which rebates are
4 sought for eligibility in accordance with this Act;

5 (3) provide data to the Secretary for inclusion
6 in the database maintained through the Federal Re-
7 bate Processing System, consistent with data proto-
8 cols established by the Secretary;

9 (4) not later than 30 days after the date of re-
10 ceipt, distribute funds received from the Secretary to
11 contractors, vendors, or other persons in accordance
12 with approved claims for reimbursement made to the
13 Federal Rebate Processing System;

14 (5) maintain appropriate accounting for rebate
15 applications processed, and their disposition;

16 (6) review contractor qualifications and accredi-
17 tation and retain documentation of such qualifica-
18 tion and accreditation, as required for contractors to
19 be authorized to perform residential energy effi-
20 ciency retrofit work under this Act; and

21 (7) maintain information regarding contractors'
22 fulfillment of the requirements of section 3(c).

23 (d) ELIGIBILITY.—To be eligible to apply to the Sec-
24 retary for approval as a rebate aggregator, an entity—

25 (1) shall be—

1 (A) a Home Performance with Energy
2 Star partner;

3 (B) an entity administering a residential
4 energy efficiency retrofit program established or
5 approved by a State;

6 (C) a Federal power marketing administra-
7 tion;

8 (D) an electric utility or a natural gas util-
9 ity administering or offering a residential en-
10 ergy efficiency retrofit program; or

11 (E) an entity—

12 (i) with corporate status or status as
13 a State or local government;

14 (ii) who can demonstrate adequate fi-
15 nancial capability to manage a rebate
16 aggregator program, as evidenced by au-
17 dited financial records; and

18 (iii) whose participation in the pro-
19 gram, in the judgment of the Secretary,
20 would not disrupt existing residential ret-
21 rofit programs in the States that are car-
22 rying out the Home Star Retrofit Rebate
23 Program under this Act;

24 (2) must be able to demonstrate—

1 (A) a relationship with 1 or more inde-
2 pendent quality assurance providers that is suf-
3 ficient to meet the volume of contracting serv-
4 ices delivered;

5 (B) the capability to provide such elec-
6 tronic data as is required by the Secretary to
7 the Federal Rebate Processing System; and

8 (C) a financial system that is capable of
9 tracking the distribution of rebates to partici-
10 pating contractors and vendors; and

11 (3) shall include in its application the amount
12 it proposes to charge for the review and processing
13 of a rebate under this Act.

14 (e) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
15 GETS.—The Secretary shall—

16 (1) develop guidelines for States to use to allow
17 utilities participating as rebate aggregators to count
18 the energy savings from their participation toward
19 State-level energy savings targets; and

20 (2) work with States to assist in the adoption
21 of these guidelines for the purposes and duration of
22 the Home Star Retrofit Rebate Program.

23 **SEC. 5. SILVER STAR HOME ENERGY RETROFIT PROGRAM.**

24 (a) IN GENERAL.—During the first year after the
25 date of enactment of this Act, a Silver Star Home Energy

1 Retrofit Program rebate shall be awarded, subject to the
2 maximum amount limitations under subsection (d)(4), to
3 participating contractors and vendors, to reimburse them
4 for discounts provided to the owner of the home for the
5 retrofit work, for the installation of energy savings meas-
6 ures—

7 (1) selected from the list of energy savings
8 measures described in subsection (b);

9 (2) installed after the date of enactment of this
10 Act in the home by a qualified contractor; and

11 (3) carried out in compliance with this section.

12 (b) ENERGY SAVINGS MEASURES.—Subject to sub-
13 section (c), a rebate shall be awarded under subsection
14 (a) for the installation of the following energy savings
15 measures for a home energy retrofit that meet technical
16 standards established under this section:

17 (1) Whole house air-sealing measures, in ac-
18 cordance with BPI standards or other procedures
19 approved by the Secretary.

20 (2) Attic insulation measures that—

21 (A) include sealing of air leakage between
22 the attic and the conditioned space, in accord-
23 ance with BPI standards or the attic portions
24 of the DOE or EPA thermal bypass checklist or
25 other procedures approved by the Secretary;

1 (B) add at least R-19 insulation to exist-
2 ing insulation;

3 (C) result in at least R-38 insulation in
4 DOE climate zones 1 through 4 and at least R-
5 49 insulation in DOE climate zones 5 through
6 8, including existing insulation, within the lim-
7 its of structural capacity; and

8 (D) cover at least—

9 (i) 100 percent of an accessible attic;

10 or

11 (ii) 75 percent of a total conditioned
12 space floor area.

13 (3) Duct seal or replacement that—

14 (A) is installed in accordance with BPI
15 standards or other procedures approved by the
16 Secretary; and

17 (B) in the case of duct replacement, re-
18 places at least 50 percent of a distribution sys-
19 tem of the home.

20 (4) Wall insulation that—

21 (A) is installed in accordance with BPI
22 standards or other procedures approved by the
23 Secretary;

24 (B) is to full-stud thickness; and

1 (C) covers at least 75 percent of the total
2 external wall area of the home.

3 (5) Crawl space insulation or basement wall
4 and rim joist insulation that is installed in accord-
5 ance with BPI standards or other procedures ap-
6 proved by the Secretary and—

7 (A) covers at least 500 square feet of crawl
8 space or basement wall and adds at least—

9 (i) R-19 of cavity insulation or R-15
10 of continuous insulation to existing crawl
11 space insulation; or

12 (ii) R-13 of cavity insulation or R-10
13 of continuous insulation to basement walls;
14 and

15 (B) fully covers the rim joist with at least
16 R-10 of new continuous or R-13 of cavity insu-
17 lation.

18 (6) Window replacement that replaces at least
19 8 exterior windows or skylights, or 75 percent of the
20 exterior windows and skylights in a home, whichever
21 is less, with windows or skylights that—

22 (A) are certified by the National Fenestra-
23 tion Rating Council; and

1 (B) comply with criteria applicable to win-
2 dows and skylights under section 25(c) of the
3 Internal Revenue Code of 1986.

4 (7) Door replacement that replaces at least 1
5 exterior door with doors that comply with criteria
6 applicable to doors under section 25(c) of the Inter-
7 nal Revenue Code of 1986.

8 (8)(A) Heating system replacement of—

9 (i) a natural gas or propane furnace with
10 a furnace that has an AFUE rating of 92 or
11 greater;

12 (ii) a natural gas or propane boiler with a
13 boiler that has an AFUE rating of 90 or great-
14 er;

15 (iii) an oil furnace with a furnace that has
16 an AFUE rating of 86 or greater and that uses
17 an electrically commutated blower motor;

18 (iv) an oil boiler with a boiler that has an
19 AFUE rating of 86 or greater and that has
20 temperature reset or thermal purge controls; or

21 (v) a wood or wood pellet furnace, boiler,
22 or stove, if—

23 (I) the new system—

24 (aa) meets at least 75 percent of
25 the heating demands of the home;

1 (bb) has a distribution system
2 (such as ducts or vents) that allows
3 heat to reach all or most parts of the
4 home; and

5 (cc) in the case of a wood stove,
6 replaces an existing wood stove; and

7 (II) an independent test laboratory
8 approved by the Secretary certifies that
9 the new system—

10 (aa) has thermal efficiency (lower
11 heating value) of at least 75 percent
12 for stoves and 80 percent for furnaces
13 and boilers; and

14 (bb) has particulate emissions of
15 less than 4.5 grams per hour for
16 stoves.

17 (B) A rebate may be provided under this sec-
18 tion for the replacement of a furnace or boiler de-
19 scribed in clauses (i) through (iv) of subparagraph
20 (A) only if the new furnace or boiler is installed in
21 accordance with ANSI/ACCA Standard 5 QI-2007.

22 (9) Air conditioner or heat pump replacement
23 with a new unit that—

24 (A) is installed in accordance with ANSI/
25 ACCA Standard 5 QI-2007; and

- 1 (B) meets or exceeds—
- 2 (i) in the case of an air conditioner,
- 3 SEER 16 and EER 13; and
- 4 (ii) in the case of a heat pump, SEER
- 5 15, EER 12.5, and HSPF 8.5.
- 6 (10) Heating or cooling system replacement
- 7 with an Energy Star qualified geothermal heat pump
- 8 that meets Tier 2 efficiency requirements and that
- 9 is installed in accordance with ANSI/ACCA Stand-
- 10 ard 5 QI-2007.
- 11 (11) Replacement of a natural gas, propane, or
- 12 electric water heater with—
- 13 (A) a natural gas or propane storage water
- 14 heater with an energy factor of 0.80 or more or
- 15 a thermal efficiency of 90 percent or more;
- 16 (B) a tankless natural gas or propane
- 17 water heater with an energy factor of at least
- 18 .82;
- 19 (C) a natural gas or propane storage water
- 20 heater with an energy factor of at least .67;
- 21 (D) an indirect water heater with an insu-
- 22 lated storage tank that—
- 23 (i) has a storage capacity of at least
- 24 30 gallons and is insulated to at least R-
- 25 16; and

1 (ii) is installed in conjunction with a
2 qualifying boiler described in paragraph
3 (8);

4 (E) an electric water heater with an energy
5 factor of 2.0 or more;

6 (F) an electric tankless water heater with
7 an efficiency factor of .96 or more, that oper-
8 ates on not greater than 25 kilowatts;

9 (G) a solar hot water system that—

10 (i) is certified by the Solar Rating and
11 Certification Corporation; or

12 (ii) meets technical standards estab-
13 lished by the State of Hawaii; or

14 (H) a water heater installed in conjunction
15 with a qualifying geothermal heat pump de-
16 scribed in paragraph (10) that provides domes-
17 tic water heating through the use of a
18 desuperheater or demand water heating capa-
19 bility.

20 (12) Storm windows that—

21 (A) are installed on at least 5 existing sin-
22 gle-glazed windows that do not have storm win-
23 dows;

1 (B) are installed in a home listed on or eli-
2 gible for listing in the National Register of His-
3 toric Places; and

4 (C) comply with any procedures that the
5 Secretary may set for storm windows and their
6 installation.

7 (c) INSTALLATION COSTS.—Measures described in
8 paragraphs (1) through (12) of subsection (b) shall in-
9 clude expenditures for labor and other installation-related
10 costs properly allocable to the onsite preparation, assem-
11 bly, or original installation of the component.

12 (d) AMOUNT OF REBATE.—

13 (1) IN GENERAL.—Except as provided in para-
14 graphs (2) through (4), the amount of a rebate pro-
15 vided under subsection (a) shall be \$1,000 per meas-
16 ure for the installation of energy savings measures
17 described in subsection (b).

18 (2) HIGHER REBATE AMOUNT.—Except as pro-
19 vided in paragraph (4), the amount of a rebate pro-
20 vided under subsection (a) shall be \$1,500 per meas-
21 ure for—

22 (A) attic insulation and air sealing de-
23 scribed in subsection (b) (1) or (2); and

24 (B) wall insulation described in subsection
25 (b)(4).

1 (3) LOWER REBATE AMOUNT.—Except as pro-
2 vided in paragraph (4), the amount of a rebate pro-
3 vided under subsection (a) shall be—

4 (A) \$125 per door for the installation of
5 up to a maximum of 2 Energy Star doors de-
6 scribed in subsection (b)(7) for each home;

7 (B) \$250 for a maximum of 1 natural gas
8 or propane storage water heater described in
9 subsection (b)(10)(C) for each home;

10 (C) \$250 for rim joist insulation described
11 in subsection (b)(5)(B);

12 (D) \$50 for each storm window described
13 in subsection (b)(11), with a minimum of 5
14 storm windows and a maximum of 12; and

15 (E) \$250 each for a maximum of 4 electric
16 tankless water heaters described in subsection
17 (b)(10)(F) for each home.

18 (4) MAXIMUM AMOUNT.—The total amount of
19 rebates provided for a home under this section shall
20 not exceed the lower of—

21 (A) \$3,000;

22 (B) 50 percent of the total cost of the in-
23 stalled measures; or

24 (C) if the Secretary finds that the net
25 value to the homeowner of the rebates, as a

1 function of the discount the contractor or ven-
2 dor provides to the homeowner for the installed
3 measures, is less than the amount of the re-
4 bates, the actual net value to the homeowner.

5 (e) VERIFICATION AND CORRECTION OF WORK.—

6 (1) REIMBURSEMENT.—On submission of a
7 claim by a rebate aggregator to the Federal Rebate
8 Processing System, the Secretary shall provide reim-
9 bursement to the rebate aggregator for energy-effi-
10 ciency measures installed in a home, subject to para-
11 graphs (2) and (3).

12 (2) VERIFICATION.—

13 (A) PERCENTAGE OF RETROFITS
14 VERIFIED.—

15 (i) IN GENERAL.—Except as provided
16 in clause (ii), not less than—

17 (I) 20 percent of the retrofits
18 performed by each qualified con-
19 tractor under this section with respect
20 to a rebate described in subsection (a)
21 shall be randomly subject to field
22 verification by an independent quality
23 assurance provider of all work associ-
24 ated with the retrofit; and

1 (II) in the case of a qualified
2 contractor that always uses a certified
3 workforce, 10 percent of the retrofits
4 performed by that contractor under
5 this section with respect to a rebate
6 described in subsection (a) shall be
7 randomly subject to field verification
8 by an independent quality assurance
9 provider of all work associated with
10 the retrofit.

11 (ii) EXCEPTIONS.—In the case of a
12 qualified contractor whose previous retrofit
13 work—

14 (I) the Secretary or the State has
15 found to fail to comply with the re-
16 quirements of this section, the Sec-
17 retary may establish a higher percent-
18 age of the retrofits performed by that
19 contractor under this section with re-
20 spect to a rebate described in sub-
21 section (a) to be subject to field
22 verification by an independent quality
23 assurance provider; and

24 (II) the Secretary or the State
25 has found to successfully comply with

1 the requirements of this section, the
2 Secretary may establish a lower per-
3 centage of the retrofits performed by
4 that contractor under this section
5 with respect to a rebate described in
6 subsection (a) to be subject to field
7 verification by an independent quality
8 assurance provider.

9 (B) HOMEOWNER COMPLAINT.—A home-
10 owner may make a complaint under the quality
11 assurance program that compliance with the
12 quality assurance requirements of this Act has
13 not been achieved. The quality assurance pro-
14 gram shall provide that, upon receiving such a
15 complaint, an independent quality assurance
16 provider shall conduct field verification on the
17 retrofit work performed by the contractor.
18 Verifications under this subparagraph shall be
19 in addition to those conducted under subpara-
20 graph (A), and shall be corrected in accordance
21 with paragraph (3).

22 (3) CORRECTION.—Rebates under subsection
23 (a) shall be made subject to the following conditions:

24 (A) The installed measures will comply
25 with the specifications and quality standards

1 under this section if a field verification by a
2 quality assurance provider finds that corrective
3 work is needed. Such compliance shall be
4 achieved by the installing accredited contractor
5 not later than 14 days after the date of notifi-
6 cation of a defect pursuant to a warranty, pro-
7 vided at no additional cost to the homeowner.

8 (B) A subsequent quality assurance visit
9 shall be conducted to evaluate the remedy not
10 later than 7 days after notification that the de-
11 fect has been corrected.

12 (C) The quality assurance provider shall
13 notify the contractor of the disposition of such
14 visit not later than 7 days after the date of the
15 visit.

16 (4) ACCESS TO HOME.—In order to be eligible
17 for a discount from a contractor or vendor for which
18 a rebate is provided under subsection (a), a home-
19 owner shall agree to permit such access to the home
20 as is necessary to verify and correct retrofit work.

21 (f) PRODUCTS PURCHASED WITHOUT INSTALLATION
22 SERVICES.—

23 (1) IN GENERAL.—A Silver Star Home Energy
24 Retrofit Program rebate shall be awarded for attic,

1 wall, and crawl space insulation and air-sealing
2 products that—

3 (A) qualify for a tax credit under section
4 25C of the Internal Revenue Code of 1986, but
5 with respect to which no claim for such a tax
6 credit has been made;

7 (B) are purchased by a homeowner for in-
8 stallation by the homeowner in a home identi-
9 fied by its address by the homeowner; and

10 (C) are identified and attributed to that
11 home in a rebate submission by the vendor to
12 a rebate aggregator.

13 (2) LIMITATION.—No rebate may be provided
14 under this subsection with respect to insulation or
15 products that are employed in energy-efficiency
16 measures with respect to which a rebate is provided
17 under this section or section 6.

18 (3) AMOUNT OF REBATE.—A rebate under this
19 subsection shall be awarded for 50 percent of the
20 total cost of the products described in paragraph
21 (1), not to exceed \$250 per home.

22 (g) REVIEW.—

23 (1) IN GENERAL.—The Secretary shall deter-
24 mine whether information submitted to the Federal
25 Rebate Processing System with respect to a rebate

1 was complete, and on the basis of that information
2 and other information available to the Secretary,
3 shall determine whether the requirements of this sec-
4 tion were met in all respects.

5 (2) INCORRECT PAYMENT.—On a determination
6 of the Secretary under paragraph (1) that a pay-
7 ment was made incorrectly to a party, or that suffi-
8 cient information was not submitted to the Federal
9 Rebate Processing System to enable such determina-
10 tion, the Secretary—

11 (A) may—

12 (i) recoup the amount of the incorrect
13 payment; or

14 (ii) withhold the amount of the incor-
15 rect payment from a payment made to the
16 party pursuant to a subsequent request;
17 and

18 (B) shall, to the extent the Secretary de-
19 termines the benefit of the rebate was not
20 passed through to the homeowner through a
21 discount on the price of the retrofit work, order
22 the contractor or vendor to pay the amount of
23 rebate benefit not previously passed through to
24 the homeowner.

1 **SEC. 6. GOLD STAR HOME ENERGY RETROFIT PROGRAM.**

2 (a) IN GENERAL.—A Gold Star Home Energy Ret-
3 rofit Program rebate shall be awarded, subject to sub-
4 section (c), to participating accredited contractors and
5 vendors, to reimburse them for discounts provided to the
6 owner of the home for the retrofit work, for retrofits that
7 achieve whole home energy savings carried out after the
8 date of enactment of this Act in accordance with this sec-
9 tion.

10 (b) ENERGY SAVINGS.—

11 (1) IN GENERAL.—Reductions in whole home
12 energy consumption under this section shall be de-
13 termined by a comparison of the simulated energy
14 consumption of the home before and after the ret-
15 rofit of the home.

16 (2) DOCUMENTATION.—The percent improve-
17 ment in energy consumption of a home under this
18 section shall be documented through—

19 (A)(i) the use of a whole home simulation
20 software program that has been approved as a
21 commercial alternative under the Weatheriza-
22 tion Assistance Program for Low-Income Per-
23 sons established under part A of title IV of the
24 Energy Conservation and Production Act (42
25 U.S.C. 6861 et seq.); or

1 (ii) a equivalent performance test estab-
2 lished by the Secretary, in consultation with the
3 Administrator; or

4 (B)(i) the use of a whole home simulation
5 software program that has been approved under
6 RESNET Publication No. 06–001 (or a suc-
7 cessor publication approved by the Secretary);

8 (ii) an equivalent performance test estab-
9 lished by the Secretary, in consultation with the
10 Administrator;

11 (iii) a State-certified equivalent rating net-
12 work, as specified by IRS Notice 2008–35; or

13 (iv) a HERS rating system approved or re-
14 quired by the law of the State in which the
15 home is located.

16 (3) MONITORING.—The Secretary—

17 (A) shall continuously monitor the software
18 programs used for determining rebates under
19 this section; and

20 (B) may disallow the use of software pro-
21 grams that improperly assess energy savings.

22 (4) ASSUMPTIONS AND TESTING.—The Sec-
23 retary may—

24 (A) establish simulation software program
25 assumptions for carrying out paragraph (2);

1 (B) require compliance with software pro-
2 gram performance tests covering—

- 3 (i) mechanical system performance;
4 (ii) duct distribution system efficiency;
5 (iii) hot water performance; or
6 (iv) other measures; and

7 (C) require the simulation of pre-retrofit
8 energy usage to be determined by metered pre-
9 retrofit energy usage.

10 (5) RECOMMENDED MEASURES.—Software pro-
11 grams used under this subsection shall have the abil-
12 ity at a minimum to assess the savings associated
13 with all the measures for which rebates are specifi-
14 cally provided under the Silver Star Home Energy
15 Retrofit Program.

16 (c) AMOUNT OF REBATE.—Subject to subsection
17 (d)(2), the amount of a rebate provided under this section
18 shall be—

19 (1) \$3,000 for a 20-percent reduction in whole
20 home energy consumption; and

21 (2) an additional \$1,000 for each additional 5-
22 percent reduction up to the lower of—

23 (A) \$8,000; or

24 (B) 50 percent of the total retrofit cost.

25 (d) VERIFICATION AND CORRECTION OF WORK.—

1 (1) REIMBURSEMENT.—On submission of a
2 claim by a rebate aggregator to the Federal Rebate
3 Processing System, the Secretary shall provide reim-
4 bursement to the rebate aggregator for energy-effi-
5 ciency measures installed in a home, subject to para-
6 graphs (2) and (3).

7 (2) VERIFICATION.—

8 (A) IN GENERAL.—Subject to subpara-
9 graph (B), all work conducted in a home as
10 part of a whole-home retrofit by an accredited
11 contractor under this section shall be subject to
12 random field verification by an independent
13 quality assurance provider at a rate of—

14 (i) 15 percent; or

15 (ii) in the case of work performed by
16 an accredited contractor always using a
17 certified workforce, 10 percent.

18 (B) VERIFICATION NOT REQUIRED.—A
19 home shall not be subject to field verification
20 under subparagraph (A) if—

21 (i) a post-retrofit home energy rating
22 is conducted by an entity that is an eligible
23 certifier in accordance with—

1 (I) RESNET Publication No.
2 06–001 (or a successor publication
3 approved by the Secretary);

4 (II) a State-certified equivalent
5 rating network, as specified in IRS
6 Notice 2008–35; or

7 (III) a HERS rating system re-
8 quired by the law of the State in
9 which the home is located;

10 (ii) the eligible certifier is independent
11 of the accredited contractor in accordance
12 with RESNET Publication No. 06–001 (or
13 a successor publication approved by the
14 Secretary); and

15 (iii) the rating includes field
16 verification of all measures for which re-
17 bates are being provided.

18 (C) HOMEOWNER COMPLAINT.—A home-
19 owner may make a complaint under the quality
20 assurance program that compliance with the
21 quality assurance requirements of this Act has
22 not been achieved. The quality assurance pro-
23 gram shall provide that, upon receiving such a
24 complaint, an independent quality assurance
25 provider shall conduct field verification on the

1 retrofit work performed by the contractor.
2 Verifications under this subparagraph shall be
3 in addition to those conducted under subpara-
4 graph (A), and shall be corrected in accordance
5 with paragraph (3).

6 (D) ACCESS TO HOME.—In order to be eli-
7 gible for a discount from a contractor or vendor
8 for which a rebate is provided under this sec-
9 tion, a homeowner shall agree to permit such
10 access to the home as is necessary to verify and
11 correct retrofit work.

12 (3) CORRECTION.—Rebates under this section
13 shall be made subject to the following conditions:

14 (A) The installed measures will comply
15 with manufacturer and applicable code stand-
16 ards and the specifications and quality stand-
17 ards under this section if a field verification by
18 an independent quality assurance provider finds
19 that corrective work is needed. Such compliance
20 shall be achieved by the installing accredited
21 contractor not later than 14 days after the date
22 of notification of a defect pursuant to a war-
23 ranty, provided at no additional cost to the
24 homeowner.

1 (B) A subsequent quality assurance visit
2 shall be conducted to evaluate the remedy not
3 later than 7 days after notification that the de-
4 fect has been corrected.

5 (C) The quality assurance provider shall
6 notify the contractor of the disposition of such
7 visit not later than 7 days after the date of the
8 visit.

9 (e) REVIEW.—

10 (1) IN GENERAL.—The Secretary shall deter-
11 mine whether information submitted to the Federal
12 Rebate Processing System with respect to a rebate
13 was complete, and on the basis of that information
14 and other information available to the Secretary,
15 shall determine whether the requirements of this sec-
16 tion were met in all respects.

17 (2) INCORRECT PAYMENT.—On a determination
18 of the Secretary under paragraph (1) that a pay-
19 ment was made incorrectly to a party, or that suffi-
20 cient information was not submitted to the Federal
21 Rebate Processing System to enable such determina-
22 tion, the Secretary—

23 (A) may—

24 (i) recoup the amount of the incorrect
25 payment; or

1 (ii) withhold the amount of the incor-
2 rect payment from a payment made to the
3 party pursuant to a subsequent request;
4 and

5 (B) shall, to the extent the Secretary de-
6 termines the benefit of the rebate was not
7 passed through to the homeowner through a
8 discount on the price of the retrofit work, order
9 the contractor or vendor to pay the amount of
10 rebate benefit not previously passed through to
11 the homeowner.

12 **SEC. 7. QUALITY ASSURANCE.**

13 (a) **QUALITY ASSURANCE FRAMEWORK.**—

14 (1) **IN GENERAL.**—Not later than 180 days
15 after the date that the Secretary initially provides
16 funds to a State under this Act, the State shall sub-
17 mit to the Secretary a plan to implement a quality
18 assurance program that covers all residential energy
19 efficiency retrofit work sponsored or provided under
20 this Act.

21 (2) **IMPLEMENTATION.**—The State shall—

22 (A) develop a quality assurance framework
23 in consultation with industry stakeholders, in-
24 cluding representatives of efficiency program

1 managers, contractors, and environmental, en-
2 ergy efficiency, and labor organizations; and

3 (B) implement the quality assurance
4 framework not later than 90 days after the plan
5 is submitted to the Secretary under paragraph
6 (1).

7 (3) COMPONENTS.—The quality assurance
8 framework established under this subsection shall in-
9 clude—

10 (A) maintenance of a list of such qualified
11 contractors and accredited contractors;

12 (B) minimum standards for such qualified
13 contractors or accredited contractors;

14 (C) requirements for maintenance and de-
15 livery to the Federal Rebate Processing System
16 of information needed to verify compliance and
17 ensure appropriate compensation for quality as-
18 surance providers;

19 (D) targets and realistic plans for—

20 (i) the recruitment of minority or
21 women-owned small business enterprises;

22 (ii) the employment of graduates of
23 training programs that primarily serve low-
24 income populations with a median income
25 that is below 200 percent of the poverty

1 line (as defined in section 673(2) of the
2 Community Services Block Grant Act (42
3 U.S.C. 9902(2), including any revision re-
4 quired by that section) by participating
5 contractors;

6 (E) a plan to link workforce training for
7 energy efficiency retrofits with training for the
8 broader range of skills and occupations in con-
9 struction or emerging clean energy industries;
10 and

11 (F) maintenance of a list of qualified qual-
12 ity assurance providers and minimum standards
13 for such quality assurance providers.

14 (4) NONCOMPLIANCE.—If the Secretary deter-
15 mines that a State has not taken the steps required
16 under this subsection, the Secretary shall provide to
17 the State a period of at least 90 days to comply be-
18 fore suspending the participation of the State in the
19 Home Star Retrofit Rebate Program.

20 (b) QUALITY ASSURANCE PROGRAMS.—

21 (1) IN GENERAL.—A State may carry out a
22 quality assurance program—

23 (A) as part of a State energy conservation
24 plan established under part D of title III of the

1 Energy Policy and Conservation Act (42 U.S.C.
2 6321 et seq.);

3 (B) to be managed by the office or the des-
4 ignee of the office—

5 (i) that is responsible for the develop-
6 ment of the plan under section 362 of that
7 Act (42 U.S.C. 6322); and

8 (ii) to the maximum extent prac-
9 ticable, that is conducting an existing en-
10 ergy efficiency program; and

11 (C) in the case of a grant made to an In-
12 dian tribe, to be managed by an entity des-
13 igned by the Indian tribe to carry out a qual-
14 ity assurance program or a national quality as-
15 surance program manager.

16 (2) NONCOMPLIANCE.—If the Secretary deter-
17 mines that a State has not provided or cannot pro-
18 vide adequate oversight over a quality assurance pro-
19 gram to ensure compliance with this Act, the Sec-
20 retary may—

21 (A) withhold further quality assurance
22 funds from the State; and

23 (B) require that quality assurance pro-
24 viders operating in the State be overseen by a

1 national quality assurance program manager se-
2 lected by the Secretary.

3 (3) IMPLEMENTATION.—A State that receives a
4 grant under this Act may implement a quality assur-
5 ance program through the State or an independent
6 quality assurance provider designated by the State,
7 including—

8 (A) an energy service company;

9 (B) an electric utility;

10 (C) a natural gas utility;

11 (D) an independent administrator des-
12 ignated by the State; or

13 (E) a unit of local government.

14 **SEC. 8. REPORT.**

15 (a) IN GENERAL.—Not later than 1 year after the
16 date of enactment of this Act, the Secretary shall submit
17 to the Committee on Energy and Natural Resources of
18 the Senate and the Committee on Energy and Commerce
19 of the House of Representatives a report on this Act.

20 (b) CONTENTS.—The report shall include a descrip-
21 tion of—

22 (1) the energy savings produced as a result of
23 this Act;

1 (2) the direct and indirect employment created
2 as a result of the programs supported under this
3 Act;

4 (3) the specific entities implementing the en-
5 ergy efficiency programs;

6 (4) the beneficiaries who received the efficiency
7 improvements;

8 (5) the manner in which funds provided under
9 this Act were used;

10 (6) the sources (such as mortgage lenders, util-
11 ity companies, and local governments) and types of
12 financing used by the beneficiaries to finance the
13 retrofit expenses that were not covered by rebates
14 provided under this Act; and

15 (7) the results of verification requirements; and

16 (8) any other information the Secretary con-
17 siders appropriate.

18 (c) REQUIRED INFORMATION.—

19 (1) REQUIREMENT.—Rebate aggregators and
20 States participating in the Home Star Retrofit Re-
21 bate Program shall provide to the Secretary such in-
22 formation as the Secretary requires to prepare the
23 report required under this section.

24 (2) NONCOMPLIANCE.—If the Secretary deter-
25 mines that a rebate aggregator or State has not pro-

1 vided the information required under paragraph (1),
2 the Secretary shall provide to the rebate aggregator
3 or State a period of at least 90 days to provide the
4 necessary information, subject to withholding of
5 funds or reduction of future grant amounts.

6 **SEC. 9. TREATMENT OF REBATES.**

7 (a) IN GENERAL.—For purposes of the Internal Rev-
8 enue Code of 1986, rebates received under this Act—

9 (1) shall not be considered taxable income to a
10 homeowner; and

11 (2) shall reduce any credit allowed under sec-
12 tion 25C or 25D of that Code for eligible work per-
13 formed in the home of the homeowner by the
14 amount of any rebate provided under this Act for
15 the eligible work.

16 (b) NOTICE.—A participating contractor shall pro-
17 vide notice to a homeowner of the provisions of subsection
18 (a) before eligible work is performed in the home of the
19 homeowner.

20 **SEC. 10. PUBLIC INFORMATION CAMPAIGN.**

21 Not later than 60 days after the date of enactment
22 of this Act, the Administrator, in consultation with the
23 States and the Secretary, shall develop and implement a
24 public education campaign that describes—

25 (1) the benefits of home energy retrofits; and

1 (2) the availability of rebates for the installa-
2 tion of qualifying energy savings measures under the
3 Silver Star Home Energy Retrofit Program and for
4 whole home energy savings under the Gold Star
5 Home Energy Retrofit Program.

6 **SEC. 11. PENALTIES.**

7 (a) IN GENERAL.—The Secretary may—

8 (1) assess and compromise a civil penalty
9 against a person who violates this Act (or any regu-
10 lation issued under this Act); and

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

13 (b) CIVIL PENALTY.—A civil penalty assessed under
14 subsection (a) shall be in an amount not greater than the
15 higher of—

16 (1) \$15,000 for each violation; or

17 (2) 3 times the value of any associated rebate
18 under this Act.

19 **SEC. 12. HOME STAR ENERGY EFFICIENCY LOAN PROGRAM.**

20 (a) DEFINITIONS.—In this section:

21 (1) ELIGIBLE PARTICIPANT.—The term “eligi-
22 ble participant” means a homeowner who receives fi-
23 nancial assistance from a qualified financing entity
24 to carry out qualifying energy savings measures
25 under the Silver Star Home Energy Retrofit Pro-

1 gram or whole home energy savings under the Gold
2 Star Home Energy Retrofit Program.

3 (2) QUALIFIED FINANCING ENTITY.—The term
4 “qualified financing entity” means a State, political
5 subdivision of a State, tribal government, electric
6 utility, natural gas utility, nonprofit or community-
7 based organization, energy service company, retailer,
8 or any other entity that—

9 (A) meets the eligibility requirements of
10 this section; and

11 (B) is designated by the Governor of a
12 State in accordance with subsection (e)(1).

13 (3) QUALIFIED LOAN PROGRAM MECHANISM.—
14 The term “qualified loan program mechanism”
15 means a mechanism for the establishment and oper-
16 ation of a loan program that is—

17 (A) administered by a qualified financing
18 entity; and

19 (B) principally funded—

20 (i) by funds provided by or overseen
21 by a State; or

22 (ii) through the energy loan program
23 of the Federal National Mortgage Associa-
24 tion.

1 (b) ESTABLISHMENT.—The Secretary shall establish
2 a Home Star Energy Efficiency Loan Program under
3 which the Secretary shall make funds available to States
4 to support financial assistance provided by qualified fi-
5 nancing entities for the installation of qualifying energy
6 savings measures under the Silver Star Home Energy Ret-
7 rofit Program or whole home energy savings under the
8 Gold Star Home Energy Retrofit Program.

9 (c) ELIGIBILITY OF QUALIFIED FINANCING ENTI-
10 TIES.—To be eligible to participate in the Home Star
11 Loan Program, a qualified financing entity shall—

12 (1) offer a financing product under which eligi-
13 ble participants may pay over time for the cost to
14 the eligible participant (after all applicable Federal,
15 State, local, and other rebates or incentives are ap-
16 plied) of installations described in subsection (b);

17 (2) require all financed installations to be per-
18 formed by contractors in a manner that meets min-
19 imum standards provided under sections 5 and 6;
20 and

21 (3) establish standard underwriting criteria to
22 determine the eligibility of Home Star Loan Pro-
23 gram applicants, which criteria shall be consistent
24 with—

1 (A) with respect to unsecured consumer
2 loan programs, standard underwriting criteria
3 used under the energy loan program of the
4 Federal National Mortgage Association; or

5 (B) with respect to secured loans or other
6 forms of financial assistance, commercially rec-
7 ognized best practices applicable to the form of
8 financial assistance being provided (as deter-
9 mined by the designated entity administering
10 the Home Star Loan Program in the State).

11 (d) ALLOCATION.—In making funds available to
12 States for each fiscal year under this section, the Sec-
13 retary shall use the formula used to allocate funds to
14 States to carry out State energy conservation plans estab-
15 lished under part D of title III of the Energy Policy and
16 Conservation Act (42 U.S.C. 6321 et seq.).

17 (e) QUALIFIED FINANCING ENTITIES.—Before mak-
18 ing funds available to a State under this section, the Sec-
19 retary shall require the Governor of the State to provide
20 to the Secretary a letter of assurance that the State—

21 (1) has 1 or more qualified financing entities
22 that meet the requirements of this section;

23 (2) has established a qualified loan program
24 mechanism that—

1 (A) will use a quality assurance program
2 established under this Act or another appro-
3 priate methodology to ensure energy savings;

4 (B) incorporates an effective repayment
5 mechanism, which may include—

6 (i) on-utility-bill repayment;

7 (ii) tax assessment or other form of
8 property assessment financing;

9 (iii) municipal service charges;

10 (iv) energy or energy efficiency serv-
11 ices contracts;

12 (v) energy efficiency power purchase
13 agreements;

14 (vi) unsecured loans applying the un-
15 derwriting requirements of the energy loan
16 program of the Federal National Mortgage
17 Association; or

18 (vii) alternative contractual repayment
19 mechanisms that have been demonstrated
20 to have appropriate risk mitigation fea-
21 tures; and

22 (3) will provide, in a timely manner, all infor-
23 mation regarding the administration of the Home
24 Star Loan Program as the Secretary may require to

1 permit the Secretary to meet the program evaluation
2 requirements of subsection (h).

3 (f) USE OF FUNDS.—Funds made available to States
4 for carrying out the Home Star Loan Program may be
5 used to support financing mechanisms offered by qualified
6 financing entities to eligible participants, including—

7 (1) interest rate reductions to interest rates as
8 low as 0 percent;

9 (2) loan loss reserves or other forms of credit
10 enhancement;

11 (3) revolving loan funds from which qualified fi-
12 nancing entities may offer direct loans; or

13 (4) other debt instruments (excluding
14 securitization instruments) necessary—

15 (A) to use available funds to obtain appro-
16 priate leverage through private investment; and

17 (B) to support widespread deployment of
18 energy efficiency programs.

19 (g) USE OF REPAID FUNDS.—In the case of a revolv-
20 ing loan fund described in subsection (f)(3), a qualified
21 financing entity may use funds repaid by eligible partici-
22 pants under the Home Star Loan Program to provide fi-
23 nancial assistance for additional eligible participants for
24 installations described in subsection (b) in a manner that
25 is consistent with this section.

1 (h) PROGRAM EVALUATION.—Not later than 1 year
2 after the date of enactment of this Act, the Secretary shall
3 submit to Congress a program evaluation that describes—

4 (1) how many eligible participants have partici-
5 pated in the Home Star Loan Program;

6 (2) how many jobs have been created through
7 the Home Star Loan Program, directly and indi-
8 rectly;

9 (3) what steps could be taken to promote fur-
10 ther deployment of energy efficiency retrofits;

11 (4) the quantity of verifiable energy savings,
12 homeowner energy bill savings, and other benefits of
13 the Home Star Loan Program; and

14 (5) the performance of the programs carried
15 out by qualified financing entities under this section,
16 including information on the rate of default and re-
17 payment.

18 **SEC. 13. FUNDING.**

19 (a) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) IN GENERAL.—Subject to subsection (j),
21 there are authorized to be appropriated to carry out
22 this Act \$6,000,000,000 for the period of fiscal
23 years 2010 and 2011, to remain available until ex-
24 pended.

1 (2) MAINTENANCE OF FUNDING.—Funds pro-
2 vided under this section shall supplement and not
3 supplant any prior or planned Federal and State
4 funding provided to carry out energy efficiency pro-
5 grams. To the extent the Secretary finds that a
6 State has supplanted other such programs with
7 funding under this section, the Secretary may with-
8 hold an equivalent amount of funding from alloca-
9 tions for the State under this Act.

10 (b) GRANTS TO STATES.—

11 (1) IN GENERAL.—Except as otherwise pro-
12 vided in this subsection, of the amount provided
13 under subsection (a), not more than 9 percent is au-
14 thorized to be appropriated to the Secretary for pro-
15 viding grants to States, to be used for—

16 (A) administrative costs of carrying out
17 this Act;

18 (B) development of quality assurance
19 frameworks;

20 (C) oversight of quality assurance pro-
21 grams;

22 (D) establishment and delivery of financing
23 mechanisms, in accordance with paragraph (2);
24 and

1 (E) coordination with existing residential
2 retrofit programs and infrastructure develop-
3 ment to assist deployment of the Home Star
4 Retrofit Rebate Program.

5 (2) FINANCING.—Of the amounts allocated to
6 the States under paragraph (1), not less than 60
7 percent shall be used to carry out section 12.

8 (3) DISTRIBUTION TO STATES.—

9 (A) PROVISION OF FUNDS.—Not later than
10 30 days after the date of enactment of this Act,
11 the Secretary shall provide to the State energy
12 offices, or such other State entities as are des-
13 ignated by the Governor, of States that are car-
14 rying out responsibilities under section 7, 25
15 percent of the funds described in paragraph (1).

16 (B) ALLOCATION.—Funds described in
17 subparagraph (A) shall be made available in ac-
18 cordance with the allocation formula for State
19 energy conservation plans established under
20 part D of title III of the Energy Policy and
21 Conservation Act (42 U.S.C. 6321 et seq.).

22 (4) WITHHOLDING OF FUNDS.—To the extent
23 that the Secretary assumes the responsibilities of a
24 State under section 3(i), the Secretary shall withhold
25 the portion of the funds otherwise transferrable to

1 the State under this section that are attributable to
2 those State responsibilities.

3 (5) INDIAN TRIBES.—

4 (A) IN GENERAL.—If an Indian tribe acts
5 in place of a State for purposes of carrying out
6 the responsibilities of the State under this Act
7 with respect to its tribal lands pursuant to sec-
8 tion 3(h), the Secretary shall transfer to that
9 Indian tribe, instead of the State, the propor-
10 tionate share of funds otherwise transferrable
11 to the State under this section.

12 (B) PROPORTIONATE SHARE.—For pur-
13 poses of subparagraph (A), the proportionate
14 share shall be calculated on the basis of the
15 percentage of the population of the State that
16 resides within the tribal lands.

17 (c) QUALITY ASSURANCE COSTS.—

18 (1) IN GENERAL.—Of the amount provided
19 under subsection (a), not more than 5 percent are
20 authorized to be appropriated to the Secretary to be
21 used as provided in paragraph (2), in accordance
22 with information provided by the State offices or en-
23 tities described in subsection (b)(3)(B) with respect
24 to services provided by quality assurance providers.

1 (2) DISTRIBUTION TO QUALITY ASSURANCE
2 PROVIDERS OR REBATE AGGREGATORS.—The Sec-
3 retary shall use funds provided under this subsection
4 to compensate quality assurance providers and re-
5 bate aggregators for services provided under this
6 Act.

7 (3) COMPENSATION.—The amount of com-
8 pensation provided under this subsection shall be—

9 (A)(i) in the case of the Silver Star Home
10 Energy Retrofit Program—

11 (I) not more than \$25 to rebate
12 aggregators per rebate review and proc-
13 essing under the program; and

14 (II) \$150 to quality assurance pro-
15 viders for each field inspection conducted
16 under the program; and

17 (ii) in the case of the Gold Star Home En-
18 ergy Retrofit Program—

19 (I) not more than \$35 to rebate
20 aggregators for each rebate review and
21 processing under the program; and

22 (II) \$300 to quality assurance pro-
23 viders for each field inspection conducted
24 under the program; or

1 (B) such other amounts as the Secretary
2 considers necessary to carry out the quality as-
3 surance provisions of this Act to optimize the
4 overall energy efficiency resulting from the Sil-
5 ver Star Home Energy Retrofit Program and
6 the Gold Star Home Energy Retrofit Program.

7 (d) TRACKING OF REBATES AND EXPENDITURES.—
8 Of the amount provided under subsection (a), not more
9 than 2.5 percent are authorized to be appropriated to the
10 Secretary to be used for costs associated with tracking re-
11 bates and expenditures through the Federal Rebate Proc-
12 essing System under this Act, and related administrative
13 costs incurred by the Secretary.

14 (e) PUBLIC EDUCATION AND COORDINATION.—Of
15 the amount provided under subsection (a), not more than
16 0.2 percent are authorized to be appropriated to the Ad-
17 ministrators to be used for costs associated with public edu-
18 cation and coordination with the Federal Energy Star pro-
19 gram.

20 (f) SILVER STAR HOME ENERGY RETROFIT PRO-
21 GRAM.—

22 (1) IN GENERAL.—Of the amount provided
23 under subsection (a), after subtracting the amounts
24 authorized in subsections (b), (d), and (e) of this
25 section, two-thirds of the remainder are authorized

1 to be appropriated to the Secretary to be used to
2 provide rebates and other payments authorized
3 under the Silver Star Home Energy Retrofit Pro-
4 gram.

5 (2) PRODUCTS PURCHASED WITHOUT INSTAL-
6 LATION SERVICES.—Of the amounts appropriated
7 pursuant to this subsection for the Silver Star pro-
8 gram, 7.5 percent shall be made available for rebates
9 under section 5(f).

10 (g) GOLD STAR HOME ENERGY RETROFIT PRO-
11 GRAM.—Of the amount provided under subsection (a),
12 after subtracting the amounts authorized in subsections
13 (b), (d), and (e) of this section, one-third of the remainder
14 is authorized to be appropriated to the Secretary to be
15 used to provide rebates and other payments authorized
16 under the Gold Star Home Energy Retrofit Program.

17 (h) RETURN OF UNDISBURSED FUNDS.—

18 (1) SILVER STAR HOME ENERGY RETROFIT
19 PROGRAM.—If the Secretary has not disbursed all
20 the funds available for rebates under the Silver Star
21 Home Energy Retrofit Program by the date that is
22 1 year after the date of enactment of this Act, any
23 undisbursed funds shall be made available to the
24 Gold Star Home Energy Retrofit Program.

1 (2) GOLD STAR HOME ENERGY RETROFIT PRO-
2 GRAM.—If the Secretary has not disbursed all the
3 funds available for rebates under the Gold Star
4 Home Energy Retrofit Program by the date that is
5 2 years after the date of enactment of this Act, any
6 undisbursed funds shall be returned to the Treasury.

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