

111TH CONGRESS
2D SESSION

S. 3177

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

IN THE SENATE OF THE UNITED STATES

MARCH 25, 2010

Mr. BINGAMAN (for himself, Mr. WARNER, and Mr. GRAHAM) introduced the
following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for the establishment of a 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:

8 (1) ACCREDITED CONTRACTOR.—The term “ac-
9 credited contractor” means a residential energy effi-

1 ciency contractor that meets the minimum applicable
2 requirements established under section 4.

3 (2) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of the Environ-
5 mental Protection Agency.

6 (3) BPI.—The term “BPI” means the Building
7 Performance Institute.

8 (4) CERTIFIED WORKFORCE.—The term “cer-
9 tified workforce” means a residential energy effi-
10 ciency construction workforce that is entirely cer-
11 tified in the appropriate job skills for all employees
12 performing installation work under—

13 (A) an applicable third party skills stand-
14 ard established by—

15 (i) the BPI;

16 (ii) the North American Technician
17 Excellence; or

18 (iii) the Laborers’ International Union
19 of North America; or

20 (B) other standards approved by the Sec-
21 retary, in consultation with the Secretary of
22 Labor and the Administrator.

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

25 (A) intended for habitation; and

1 (B) intentionally heated or cooled.

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

4 (7) ELECTRIC UTILITY.—The term “electric
5 utility” means any person or State agency that de-
6 livers or sells electric energy at retail, including non-
7 regulated utilities and utilities that are subject to
8 State regulation and Federal power marketing ad-
9 ministrations.

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

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

16 (10) GOLD STAR HOME ENERGY RETROFIT PRO-
17 GRAM.—The term “Gold Star Home Energy Retrofit
18 Program” means the Gold Star Home Energy Ret-
19 rofit Program established under section 8.

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

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

24 (B) was constructed before the date of en-
25 actment of this Act.

1 (12) HOME STAR LOAN PROGRAM.—The term
2 “Home Star loan program” means the Home Star
3 energy efficiency loan program established under
4 section 15(a).

5 (13) HOME STAR RETROFIT REBATE PRO-
6 GRAM.—The term “Home Star Retrofit Rebate Pro-
7 gram” means the Home Star Retrofit Rebate Pro-
8 gram established under section 3(a).

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

13 (15) NATIONAL HOME PERFORMANCE COUN-
14 CIL.—The term “National Home Performance Coun-
15 cil” means the National Home Performance Council,
16 Inc.

17 (16) NATURAL GAS UTILITY.—The term “nat-
18 ural gas utility” means any person or State agency
19 that transports, distributes, or sells natural gas at
20 retail, including nonregulated utilities and utilities
21 that are subject to State regulation.

22 (17) QUALIFIED CONTRACTOR.—The term
23 “qualified contractor” means a residential energy ef-
24 ficiency contractor that meets minimum applicable
25 requirements established under section 4.

1 (18) QUALITY ASSURANCE PROGRAM.—

2 (A) IN GENERAL.—The term “quality as-
3 surance program” means a program established
4 under this Act or recognized by the Secretary
5 under this Act, to oversee the delivery of home
6 efficiency retrofit programs to ensure that work
7 is performed in accordance with standards and
8 criteria established under this Act.

9 (B) INCLUSIONS.—For purposes of sub-
10 paragraph (A), delivery of retrofit programs in-
11 cludes delivery of quality assurance reviews of
12 rebate applications and field inspections for a
13 portion of customers receiving rebates and con-
14 ducted by a quality assurance provider, with the
15 consent of participating consumers and without
16 delaying rebate payments to participating con-
17 tractors.

18 (19) QUALITY ASSURANCE PROVIDER.—The
19 term “quality assurance provider” means any entity
20 that meets the minimum applicable requirements es-
21 tablished under section 6.

22 (20) REBATE AGGREGATOR.—The term “rebate
23 aggregator” means an entity that meets the require-
24 ments of section 5.

1 (21) RESNET.—The term “RESNET” means
2 the Residential Energy Services Network, which is a
3 nonprofit certification and standard setting organi-
4 zation for home energy raters that evaluate the en-
5 ergy performance of a home.

6 (22) SECRETARY.—The term “Secretary”
7 means the Secretary of Energy.

8 (23) SILVER STAR HOME ENERGY RETROFIT
9 PROGRAM.—The term “Silver Star Home Energy
10 Retrofit Program” means the Silver Star Home En-
11 ergy Retrofit Program established under section 7.

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

13 (A) a State;

14 (B) the District of Columbia;

15 (C) the Commonwealth of Puerto Rico;

16 (D) Guam;

17 (E) American Samoa;

18 (F) the Commonwealth of the Northern
19 Mariana Islands;

20 (G) the United States Virgin Islands; and

21 (H) any other territory or possession of the
22 United States.

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

24 (a) IN GENERAL.—The Secretary shall establish the
25 Home Star Retrofit Rebate Program.

1 (b) FEDERAL REBATE PROCESSING SYSTEM.—

2 (1) IN GENERAL.—Not later than 30 days after
3 the date of enactment of this Act, the Secretary, in
4 consultation with the Secretary of the Treasury and
5 the Administrator, shall—

6 (A) establish a Federal Rebate Processing
7 System which shall serve as a database and in-
8 formation technology system that will allow re-
9 bate aggregators to submit claims for reim-
10 bursement using standard data protocols;

11 (B) establish a national retrofit website
12 that provides information on the Home Star
13 Retrofit Rebate Program, including—

14 (i) how to determine whether par-
15 ticular efficiency measures are eligible for
16 rebates; and

17 (ii) how to participate in the program;

18 and

19 (C) make available, on a designated
20 website, model forms for compliance with all ap-
21 plicable requirements of this Act, to be sub-
22 mitted by—

23 (i) each qualified contractor on com-
24 pletion of an eligible home energy retrofit;

25 and

1 (ii) each quality assurance provider on
2 completion of field verification.

3 (2) MODEL FORMS.—In carrying out this sec-
4 tion, the Secretary shall consider the model forms
5 developed by the National Home Performance Coun-
6 cil.

7 (c) PUBLIC INFORMATION CAMPAIGN.—Not later
8 than 60 days after the date of enactment of this Act, the
9 Administrator shall develop and implement a public edu-
10 cation campaign that describes, at a minimum—

11 (1) the benefits of home energy retrofits;

12 (2) the availability of rebates for—

13 (A) the installation of qualifying efficiency
14 measures; and

15 (B) whole home efficiency improvements;

16 and

17 (3) the requirements for qualified contractors
18 and accredited contractors.

19 **SEC. 4. CONTRACTORS.**

20 (a) CONTRACTOR QUALIFICATIONS FOR SILVER STAR
21 HOME ENERGY RETROFIT PROGRAM.—A contractor may
22 perform retrofit work under the Silver Star Home Energy
23 Retrofit Program in a State for which rebates are provided
24 under this Act only if the contractor meets or provides—

1 (1) all applicable contractor licensing require-
2 ments established by the State or, if none exist at
3 the State level, the Secretary;

4 (2) insurance coverage of at least \$1,000,000
5 for general liability, and for such other purposes and
6 in such other amounts as required by the State;

7 (3) warranties to homeowners that completed
8 work will—

9 (A) be free of significant defects;

10 (B) be installed in accordance with the
11 specifications of the manufacturer; and

12 (C) perform properly for a period of at
13 least 1 year after the date of completion of the
14 work;

15 (4) an agreement to provide the owner of a
16 home, through a discount, the full economic value of
17 all rebates received under this Act with respect to
18 the home; and

19 (5) an agreement to provide the homeowner, be-
20 fore a contract is executed between the contractor
21 and a homeowner covering the eligible work, a notice
22 of—

23 (A) the rebate amount the contractor in-
24 tends to apply for with respect to eligible work
25 under this Act; and

1 (B) the means by which the rebate will be
2 passed through as a discount to the homeowner.

3 (b) CONTRACTOR QUALIFICATIONS FOR GOLD STAR
4 HOME ENERGY RETROFIT PROGRAM.—A contractor may
5 perform retrofit work under the Gold Star Home Energy
6 Retrofit Program in a State for which rebates are provided
7 under this Act only if the contractor—

8 (1) meets the requirements for qualified con-
9 tractors under subsection (a); and

10 (2) is accredited—

11 (A) by the BPI; or

12 (B) under other standards approved by the
13 Secretary, in consultation with the Adminis-
14 trator.

15 **SEC. 5. REBATE AGGREGATORS.**

16 (a) IN GENERAL.—The Secretary shall develop a net-
17 work of rebate aggregators that can facilitate the delivery
18 of rebates to participating contractors by—

19 (1) reviewing the proposed rebate application
20 for completeness and accuracy;

21 (2) reviewing measures for eligibility in accord-
22 ance with this Act;

23 (3) providing data to the Federal Data Proc-
24 essing Center consistent with data protocols estab-
25 lished by the Secretary; and

1 (4) as soon as practicable but not later than 30
2 days after the date of receipt, distributing funds re-
3 ceived from DOE to contractors, vendors, or other
4 persons who have been approved for rebates by a
5 quality assurance provider, if funding to contractors,
6 vendors, or other persons is required by the Sec-
7 retary.

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

11 (1) a Home Performance with Energy Star
12 partner;

13 (2) an entity administering a residential energy
14 efficiency retrofit program established or approved
15 by a State;

16 (3) a Federal Power Marketing Administration,
17 an electric utility, or a natural gas utility that has—

18 (A) an approved residential energy effi-
19 ciency retrofit program; and

20 (B) an established quality assurance pro-
21 vider network; or

22 (4) an entity that demonstrates to the Sec-
23 retary that the entity can perform the functions of
24 an rebate aggregator, without disrupting existing
25 residential retrofits in the States that are incor-

1 porating the Home Star Program, including dem-
2 onstration of—

3 (A) corporate status or status as a State
4 or local government;

5 (B) the capability to provide electronic
6 data to the Federal Rebate Processing System;

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

10 (D) coordination and cooperation by the
11 entity with the appropriate State energy office
12 regarding participation in the existing energy
13 efficiency programs that will be delivering the
14 Home Star Program.

15 (c) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
16 GETS.—The Secretary shall—

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

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

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

2 (a) IN GENERAL.—An entity shall be considered a
3 quality assurance provider under this Act if the entity—

4 (1) is independent of the contractor;

5 (2) confirms the qualifications of contractors or
6 installers of home energy efficiency retrofits;

7 (3) confirms compliance with the requirements
8 of a “certified workforce”; and

9 (4) performs field inspections and other meas-
10 ures required to confirm the compliance of the ret-
11 rofit work under the Silver Star program, and the
12 retrofit work and the simulated energy savings
13 under the Gold Star program, based on the require-
14 ments of this Act.

15 (b) INCLUSIONS.—An entity shall be considered a
16 quality assurance provider under this Act if the entity is
17 qualified through—

18 (1) the International Code Council;

19 (2) the BPI;

20 (3) the RESNET;

21 (4) a State;

22 (5) a State-approved residential energy effi-
23 ciency retrofit program; or

24 (6) any other entity designated by the Sec-
25 retary, in consultation with the Administrator.

1 **SEC. 7. SILVER STAR HOME ENERGY RETROFIT PROGRAM.**

2 (a) IN GENERAL.—If the energy efficiency retrofit of
3 a home is carried out after the date of enactment of this
4 Act in accordance with this section, a rebate shall be
5 awarded for the energy retrofit of a home for the installa-
6 tion of energy savings measures—

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

9 (2) installed in the home by a qualified con-
10 tractor not later than 1 year after the date of enact-
11 ment of this Act;

12 (3) carried out in compliance with this section;
13 and

14 (4) subject to the maximum amount limitations
15 established under subsection (d)(4).

16 (b) ENERGY SAVINGS MEASURES.—Subject to sub-
17 section (c), a rebate shall be awarded under this section
18 for the installation of the following energy savings meas-
19 ures for a home energy retrofit that meet technical stand-
20 ards established under this section:

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

24 (2) Attic insulation measures that—

25 (A) include sealing of air leakage between
26 the attic and the conditioned space, in accord-

1 ance with BPI standards or the attic portions
2 of the DOE or EPA thermal bypass checklist or
3 other procedures approved by the Secretary;

4 (B) add at least R-19 insulation to exist-
5 ing insulation;

6 (C) result in at least R-38 insulation in
7 DOE climate zones 1 through 4 and at least R-
8 49 insulation in DOE climate zones 5 through
9 8, including existing insulation, within the lim-
10 its of structural capacity; and

11 (D) cover at least—

12 (i) 100 percent of an accessible attic;

13 or

14 (ii) 75 percent of a total conditioned
15 space floor area.

16 (3) Duct seal or replacement that—

17 (A) is installed in accordance with BPI
18 standards or other procedures approved by the
19 Secretary; and

20 (B) in the case of duct replacement, re-
21 places at least 50 percent of a distribution sys-
22 tem of the home.

23 (4) Wall insulation that—

1 (A) is installed in accordance with BPI
2 standards or other procedures approved by the
3 Secretary;

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

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

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

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

13 (i) R-19 of cavity insulation or R-15
14 of continuous insulation to existing crawl
15 space insulation; or

16 (ii) R-13 of cavity insulation or R-10
17 of continuous insulation to basement walls;
18 and

19 (B) fully covers the rim joist with at least
20 R-10 of new continuous or R-13 of cavity insu-
21 lation.

22 (6) Window replacement that replaces at least
23 8 exterior windows or skylights, or 75 percent of the
24 exterior windows and skylights in a home, whichever
25 is less, with windows or skylights that—

1 (A) are certified by the National Fenestra-
2 tion Rating Council; and

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

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

10 (8)(A) Heating system replacement with—

11 (i) a natural gas or propane furnace with
12 an AFUE rating of 92 or greater;

13 (ii) a natural gas or propane boiler with an
14 AFUE rating of 90 or greater;

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

18 (iv) an oil boiler with an AFUE rating of
19 86 or greater and that has temperature reset or
20 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 (with
11 a lower heating value) of at least 75
12 percent for stoves and 80 percent for
13 furnaces 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-source condi-
3 tioner, SEER 16 and EER 13;

4 (ii) in the case of an air-source heat
5 pump, SEER 15, EER 12.5, and HSPF
6 8.5; and

7 (iii) in the case of a geothermal heat
8 pump, Energy Star tier 2 efficiency re-
9 quirements.

10 (10) Replacement of or with—

11 (A) a natural gas or propane water heater
12 with a condensing storage water heater with an
13 energy factor of 0.80 or more or a thermal effi-
14 ciency of 90 percent or more;

15 (B) a tankless natural gas or propane
16 water heater with an energy factor of at least
17 .82;

18 (C) a natural gas or propane storage water
19 heater with an energy factor of at least .67;

20 (D) an indirect water heater with an insu-
21 lated storage tank that—

22 (i) has a storage capacity of at least
23 30 gallons and is insulated to at least R-
24 16; and

1 (ii) is installed in conjunction with a
2 qualifying boiler described in paragraph
3 (7);

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

6 (F) a water heater with a solar hot water
7 system that—

8 (i) is certified by the Solar Rating and
9 Certification Corporation; or

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

12 (G) a water heater installed in conjunction
13 with a qualifying geothermal heat pump de-
14 scribed in paragraph (9) that provides domestic
15 water heating through the use of—

16 (i) year-round demand water heating
17 capability; or

18 (ii) a desuperheater.

19 (11) Storm windows that—

20 (A) are installed on a least 5 single-glazed
21 windows that do not have storm windows;

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

1 (C) comply with any procedures that the
2 Secretary may establish for storm windows (in-
3 cluding installation).

4 (c) INSTALLATION COSTS.—Measures described in
5 paragraphs (1) through (11) of subsection (b) shall in-
6 clude expenditures for labor and other installation-related
7 costs (including venting system modification and conden-
8 sate disposal) properly allocable to the onsite preparation,
9 assembly, or original installation of the component.

10 (d) AMOUNT OF REBATE.—

11 (1) IN GENERAL.—Except as provided in para-
12 graphs (2) through (4), the amount of a rebate pro-
13 vided under this section shall be \$1,000 per measure
14 for the installation of energy savings measures de-
15 scribed in subsection (b).

16 (2) HIGHER REBATE AMOUNT.—Except as pro-
17 vided in paragraph (4), the amount of a rebate pro-
18 vided to the owner of a home or designee under this
19 section shall be \$1,500 per measure for—

20 (A) attic insulation and air sealing de-
21 scribed in subsection (b)(2);

22 (B) wall insulation described in subsection
23 (b)(4);

24 (C) windows or skylights described in sub-
25 section (b)(6);

1 (D) a heating system described in sub-
2 section (b)(8); and

3 (E) an air-conditioner or heat-pump re-
4 placement described in subsection (b)(9).

5 (3) LOWER REBATE AMOUNT.—Except as pro-
6 vided in paragraph (4), the amount of a rebate pro-
7 vided under this section shall be—

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

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

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

16 (D) \$50 for each storm window described
17 in subsection (b)(11); and

18 (E) \$500 for a desuperheater described in
19 subsection (b)(10)(G)(ii).

20 (4) MAXIMUM AMOUNT.—The total amount of a
21 rebate provided to the owner of a home or designee
22 under this section shall not exceed the lower of—

23 (A) \$3,000;

24 (B) the sum of the amounts per measure
25 specified in paragraphs (1) through (3);

1 (C) 50 percent of the total cost of the in-
2 stalled measures; or

3 (D) the reduction in the price paid by the
4 owner of the home, relative to the price of the
5 installed measures in the absence of the Silver
6 Star Home Energy Retrofit Program.

7 (e) INSULATION PRODUCTS PURCHASED WITHOUT
8 INSTALLATION SERVICES.—A rebate shall be awarded
9 under this section for attic, wall, or crawl space insulation
10 or air sealing product if—

11 (1) the product—

12 (A) qualifies for a credit under section 25C
13 of the Internal Revenue Code of 1986 but is
14 not the subject of a claim for the credit;

15 (B) is purchased by a homeowner for in-
16 stallation by the homeowner in a home identi-
17 fied by the address of the homeowner;

18 (C) is identified and attributed to a spe-
19 cific home in a submission by the vendor to a
20 rebate aggregator; and

21 (D) is not part of—

22 (i) an energy savings measure de-
23 scribed in paragraphs (1) through (5) of
24 subsection (b); and

1 (ii) a retrofit for which a rebate is
2 provided under the Gold Star Home En-
3 ergy Retrofit Program; or

4 (2) educational material on proper installation
5 of the product is provided to the homeowner, includ-
6 ing material on air sealing while insulating.

7 (f) QUALIFICATION FOR REBATE UNDER SILVER
8 STAR HOME ENERGY RETROFIT PROGRAM.—On submis-
9 sion of a claim by a rebate aggregator to the system estab-
10 lished under section 5, the Secretary shall provide reim-
11 bursement to the rebate aggregator for reduced-cost en-
12 ergy-efficiency measures installed in a home, if—

13 (1) the measures undertaken for the retrofit
14 are—

15 (A) eligible measures described on the list
16 established under subsection (b);

17 (B) installed properly in accordance with
18 applicable technical specifications; and

19 (C) installed by a qualified contractor;

20 (2) the amount of the rebate does not exceed
21 the maximum amount described in subsection (d)(4);

22 (3) not less than—

23 (A) 20 percent of the retrofits performed
24 by each qualified contractor under this section
25 are randomly subject to a third-party field

1 verification of all work associated with the ret-
2 rofit by a quality assurance provider; or

3 (B) in the case of qualified contractor that
4 uses a certified workforce, 10 percent of the
5 retrofits performed under this section are ran-
6 domly subject to a third-party field verification
7 of all work associated with the retrofit by a
8 quality assurance provider; and

9 (4)(A) the installed measures will be brought
10 into compliance with the specifications and quality
11 standards for the Home Star Retrofit Rebate Pro-
12 gram, by the installing qualified contractor, at no
13 additional cost to the homeowner, not later than 14
14 days after the date of notification of a defect, if a
15 field verification by a quality assurance provider
16 finds that corrective work is needed;

17 (B) a subsequent quality assurance visit is con-
18 ducted to evaluate the remedy not later than 7 days
19 after notification by the contractor that the defect
20 has been corrected; and

21 (C) notification of disposition of the visit occurs
22 not later than 7 days after the date of that visit.

23 (g) HOMEOWNER COMPLAINTS.—

24 (1) IN GENERAL.—During the 1-year warranty
25 period, a homeowner may make a complaint under

1 the quality assurance program that compliance with
2 the quality assurance requirements of this section
3 has not been achieved.

4 (2) VERIFICATION.—

5 (A) IN GENERAL.—The quality assurance
6 program shall provide that, on receiving a com-
7 plaint under paragraph (1), an independent
8 quality assurance provider shall conduct field
9 verification on the retrofit work performed by
10 the contractor.

11 (B) ADMINISTRATION.—A verification
12 under this paragraph shall be—

13 (i) in addition to verifications con-
14 ducted under subsection (f)(3); and

15 (ii) corrected in accordance with sub-
16 section (f)(4).

17 (h) AUDITS.—

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

22 (2) INCORRECT PAYMENT.—On a determination
23 of the Secretary under paragraph (1) that a pay-
24 ment was made incorrectly to a party, the Secretary
25 may—

1 (A) recoup the amount of the incorrect
2 payment; or

3 (B) withhold the amount of the incorrect
4 payment from the next payment made to the
5 party pursuant to a subsequent request.

6 **SEC. 8. GOLD STAR HOME ENERGY RETROFIT PROGRAM.**

7 (a) IN GENERAL.—If the energy efficiency retrofit of
8 a home is carried out after the date of enactment of this
9 Act by an accredited contractor in accordance with this
10 section, a rebate shall be awarded for retrofits that achieve
11 whole home energy savings.

12 (b) AMOUNT OF GRANT.—Subject to subsection (e),
13 the amount of a rebate provided to the owner of a home
14 or a designee of the owner under this section shall be—

15 (1) \$3,000 for a 20-percent reduction in whole
16 home energy consumption; and

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

19 (A) \$8,000; or

20 (B) 50 percent of the total retrofit cost
21 (including the cost of audit and diagnostic pro-
22 cedures).

23 (c) ENERGY SAVINGS.—

24 (1) IN GENERAL.—Reductions in whole home
25 energy consumption under this section shall be de-

1 terminated by a comparison of the simulated energy
2 consumption of the home before and after the ret-
3 rofit of the home.

4 (2) DOCUMENTATION.—The percent improve-
5 ment in energy consumption under this section shall
6 be documented through—

7 (A)(i) the use of a whole home simulation
8 software program that has been approved as a
9 commercial alternative under the Weatheriza-
10 tion Assistance Program for Low-Income Per-
11 sons established under part A of title IV of the
12 Energy Conservation and Production Act (42
13 U.S.C. 6861 et seq.); or

14 (ii) a equivalent performance test estab-
15 lished by the Secretary, in consultation with the
16 Administrator; or

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

21 (ii) an equivalent performance test estab-
22 lished by the Secretary; or

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

1 (iv) a HERS rating system required by
2 State law.

3 (3) MONITORING.—The Secretary—

4 (A) shall continuously monitor the software
5 packages used for determining rebates under
6 this section; and

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

9 (4) ASSUMPTIONS AND TESTING.—The Sec-
10 retary may—

11 (A) establish simulation tool assumptions
12 for the establishment of the pre-retrofit energy
13 use;

14 (B) require compliance with software per-
15 formance tests covering—

16 (i) mechanical system performance;

17 (ii) duct distribution system efficiency;

18 (iii) hot water performance; or

19 (iv) other measures; and

20 (C) require the simulation of pre-retrofit
21 energy usage to be bounded by metered pre-ret-
22 rofit energy usage.

23 (5) RECOMMENDED MEASURES.—The simula-
24 tion tool shall have the ability at a minimum to as-
25 sess the savings associated with all the measures for

1 which incentives are specifically provided under the
2 Silver Star Home Energy Retrofit Program.

3 (d) QUALIFICATION FOR REBATE UNDER GOLD
4 STAR HOME ENERGY RETROFIT PROGRAM.—On submis-
5 sion of a claim by a rebate aggregator to the system estab-
6 lished under section 5, the Secretary shall provide reim-
7 bursement to the rebate aggregator for reduced-cost
8 whole-home retrofits, if—

9 (1) the retrofit is performed by an accredited
10 contractor;

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

13 (3) documentation described in subsection (c) is
14 transmitted with the claim;

15 (4) a home receiving a whole-home retrofit is
16 subject to random third-party field verification by a
17 quality assurance provider in accordance with sub-
18 section (e); and

19 (5)(A) the installed measures will be brought
20 into compliance with the specifications and quality
21 standards for the Home Star Retrofit Rebate Pro-
22 gram, by the installing qualified contractor, at no
23 additional cost to the homeowner, not later than 14
24 days after the date of notification of a defect if a

1 field verification by a quality assurance provider
2 finds that corrective work is needed;

3 (B) a subsequent quality assurance visit is con-
4 ducted to evaluate the remedy not later than 7 days
5 after notification by the contractor that the defect
6 has been corrected; and

7 (C) notification of disposition of the visit occurs
8 not later than 7 days after the date of that visit.

9 (e) VERIFICATION.—

10 (1) IN GENERAL.—Subject to subparagraph
11 (2), all work installed in a home receiving a whole-
12 home retrofit by an accredited contractor under this
13 section shall be subject to random third-party field
14 verification by a quality assurance provider at a rate
15 of—

16 (A) 15 percent; or

17 (B) in the case of work performed by an
18 accredited contractor using a certified work-
19 force, 10 percent.

20 (2) VERIFICATION NOT REQUIRED.—A home
21 shall not be subject to random third-party field
22 verification under this section if—

23 (A) a post-retrofit home energy rating is
24 conducted by an eligible certifier in accordance
25 with—

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

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

7 (iii) a HERS rating system required
8 by State law;

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

14 (C) the rating includes field verification of
15 measures.

16 (f) HOMEOWNER COMPLAINTS.—

17 (1) IN GENERAL.—A homeowner may make a
18 complaint under the quality assurance program dur-
19 ing the 1-year warranty period that compliance with
20 the quality assurance requirements of this section
21 has not been achieved.

22 (2) VERIFICATION.—

23 (A) IN GENERAL.—The quality assurance
24 program shall provide that, on receiving a com-
25 plaint under paragraph (1), an independent

1 quality assurance provider shall conduct field
2 verification on the retrofit work performed by
3 the contractor.

4 (B) ADMINISTRATION.—A verification
5 under this paragraph shall be—

6 (i) in addition to verifications con-
7 ducted under subsection (e)(1); and

8 (ii) corrected in accordance with sub-
9 section (e).

10 (g) AUDITS.—

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

15 (2) INCORRECT PAYMENT.—On a determination
16 of the Secretary under paragraph (1) that a pay-
17 ment was made incorrectly to a party, the Secretary
18 may—

19 (A) recoup the amount of the incorrect
20 payment; or

21 (B) withhold the amount of the incorrect
22 payment from the next payment made to the
23 party pursuant to a subsequent request.

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

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

5 (1) administrative costs;

6 (2) oversight of quality assurance plans;

7 (3) development of ongoing quality assurance
8 framework;

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

11 (5) coordination with existing residential ret-
12 rofit programs and infrastructure development to as-
13 sist deployment of the Home Star program; and

14 (6) the costs of carrying out the responsibilities
15 of the State or Indian tribe under the Silver Star
16 Home Energy Retrofit Program and the Gold Star
17 Home Energy Retrofit Program.

18 (b) INITIAL GRANTS.—Not later than 30 days after
19 the date of enactment of this Act, the Secretary shall
20 make the initial grants available under this section.

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

25 (d) STATE ALLOTMENTS.—From the amounts made
26 available to carry out this section for each fiscal year re-

1 maining after the reservation required under subsection
2 (c), the Secretary shall make grants available to States
3 in accordance with section 16.

4 (e) QUALITY ASSURANCE PROGRAMS.—

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

8 (A) operated as part of a State energy con-
9 servation plan established under part D of title
10 III of the Energy Policy and Conservation Act
11 (42 U.S.C. 6321 et seq.);

12 (B) managed by the office or the designee
13 of the office that is—

14 (i) responsible for the development of
15 the plan under section 362 of that Act (42
16 U.S.C. 6322); and

17 (ii) to the maximum extent prac-
18 ticable, conducting an existing energy effi-
19 ciency program; and

20 (C) in the case of a grant made to an In-
21 dian tribe, managed by an entity designated by
22 the Indian tribe to carry out a quality assur-
23 ance program or a national quality assurance
24 program manager.

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

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

8 (B) require that quality assurance pro-
9 viders operating in the State or by the Indian
10 tribe be overseen by a national quality assur-
11 ance program manager selected by the Sec-
12 retary.

13 (f) IMPLEMENTATION.—A State or Indian tribe that
14 receives a grant under this section may implement a qual-
15 ity assurance program through the State, the Indian tribe,
16 or a third party designated by the State or Indian tribe,
17 including—

18 (1) an energy service company;

19 (2) an electric utility;

20 (3) a natural gas utility;

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

23 (5) a unit of local government.

24 (g) PUBLIC-PRIVATE PARTNERSHIPS.—A State or
25 Indian tribe that receives a grant under this section are

1 encouraged to form partnerships with utilities, energy
2 service companies, and other entities—

3 (1) to assist in marketing a program;

4 (2) to facilitate consumer financing;

5 (3) to assist in implementation of the Silver
6 Star Home Energy Retrofit Program and the Gold
7 Star Home Energy Retrofit Program, including in-
8 stallation of qualified energy retrofit measures; and

9 (4) to assist in implementing quality assurance
10 programs.

11 (h) COORDINATION OF REBATE AND EXISTING
12 STATE-SPONSORED PROGRAMS.—

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

17 (A) the Energy Star appliance rebates pro-
18 gram authorized under the American Recovery
19 and Reinvestment Act of 2009 (Public Law
20 111–5; 123 Stat. 115); and

21 (B) comparable programs planned or oper-
22 ated by States, political subdivisions, electric
23 and natural gas utilities, Federal power mar-
24 keting administrations, and Indian tribes.

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

3 (A) give priority to—

4 (i) comprehensive retrofit programs in
5 existence on the date of enactment of this
6 Act, including programs under the super-
7 vision of State utility regulators; and

8 (ii) using Home Star funds made
9 available under this Act to enhance and ex-
10 tend existing programs; and

11 (B) seek to enhance and extend existing
12 programs by coordinating with administrators
13 of the programs.

14 **SEC. 10. QUALITY ASSURANCE FRAMEWORK.**

15 (a) IN GENERAL.—Not later than 180 days after the
16 date that the Secretary initially provides funds to a State
17 under this Act, the State shall submit to the Secretary
18 a plan to implement a quality assurance program that cov-
19 ers all federally assisted residential efficiency retrofit work
20 administered, supervised, or sponsored by the State.

21 (b) IMPLEMENTATION.—The State shall—

22 (1) develop a quality assurance framework in
23 consultation with industry stakeholders, including
24 representatives of efficiency program managers, con-

1 tractors, and environmental, energy efficiency, and
2 labor organizations; and

3 (2) implement the quality assurance framework
4 not later than 1 year after the date of enactment of
5 this Act.

6 (c) COMPONENTS.—The quality assurance framework
7 established under this section shall include—

8 (1) a requirement that contractors be
9 prequalified in order to be authorized to perform
10 federally assisted residential retrofit work;

11 (2) maintenance of a list of prequalified con-
12 tractors authorized to perform federally assisted res-
13 idential retrofit work; and

14 (3) minimum standards for prequalified con-
15 tractors that include—

16 (A) accreditation;

17 (B) legal compliance procedures;

18 (C) proper classification of employees;

19 (D) use of a certified workforce; and

20 (E) maintenance of records needed to
21 verify compliance;

22 (4) targets and realistic plans for—

23 (A) the recruitment of small minority or
24 women-owned business enterprises; and

1 (B) the employment of graduates of train-
2 ing programs that primarily serve low-income
3 populations with a median income that is below
4 200 percent of the poverty line (as defined in
5 section 673(2) of the Community Services
6 Block Grant Act (42 U.S.C. 9902(2), including
7 any revision required by that section)) by par-
8 ticipating contractors; and

9 (5) a plan to link workforce training for energy
10 efficiency retrofits with training for the broader
11 range of skills and occupations in construction or
12 emerging clean energy industries.

13 (d) NONCOMPLIANCE.—If the Secretary determines
14 that a State has not taken the steps required under this
15 section, the Secretary shall provide to the State a period
16 of at least 90 days to comply before suspending the par-
17 ticipation of the State in the program.

18 **SEC. 11. REPORT.**

19 (a) IN GENERAL.—Not later than 1 year after the
20 date of enactment of this Act, the Secretary shall submit
21 to the Committee on Energy and Natural Resources of
22 the Senate and the Committee on Energy and Commerce
23 of the House of Representatives a report on the use of
24 funds under this Act.

1 (b) CONTENTS.—The report shall include a descrip-
2 tion of—

3 (1) the energy savings produced as a result of
4 this Act;

5 (2) the direct and indirect employment created
6 as a result of the programs supported by the funds
7 provided under this Act;

8 (3) the specific entities implementing the en-
9 ergy efficiency programs;

10 (4) the beneficiaries who received the efficiency
11 improvements;

12 (5) the manner in which funds provided under
13 this Act were used;

14 (6) the sources (such as mortgage lenders, util-
15 ity companies, and local governments) and types of
16 financing used by the beneficiaries to finance the
17 retrofit expenses that were not covered by grants
18 provided under this Act;

19 (7) the results of verification requirements; and

20 (8) any other information the Secretary con-
21 siders appropriate.

22 (c) NONCOMPLIANCE.—If the Secretary determines
23 that a rebate aggregator, State, or Indian tribe has not
24 provided the information required under this section, the
25 Secretary shall provide to the rebate aggregator, State, or

1 Indian tribe a period of at least 90 days to provide any
2 necessary information, subject to penalties imposed by the
3 Secretary for entities other than States and Indian tribes,
4 which may include withholding of funds or reduction of
5 future grant amounts.

6 **SEC. 12. ADMINISTRATION.**

7 (a) IN GENERAL.—Subject to section 16(b), not later
8 than 30 days after the date of enactment of this Act, the
9 Secretary shall provide such administrative and technical
10 support to rebate aggregators, States, and Indian tribes
11 as is necessary to carry out the functions designated to
12 States under this Act.

13 (b) APPOINTMENT OF PERSONNEL.—Notwith-
14 standing the provisions of title 5, United States Code, gov-
15 erning appointments in the competitive service and Gen-
16 eral Schedule classifications and pay rates, the Secretary
17 may appoint such professional and administrative per-
18 sonnel as the Secretary considers necessary to carry out
19 this Act.

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

24 (d) CONSULTANTS.—Notwithstanding section 303 of
25 the Federal Property and Administrative Services Act of

1 1949 (41 U.S.C. 253), the Secretary may retain such con-
2 sultants on a noncompetitive basis as the Secretary con-
3 siders necessary to carry out this Act.

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

11 (f) REGULATIONS.—

12 (1) IN GENERAL.—Notwithstanding section 553
13 of title 5, United States Code, the Secretary may
14 issue regulations that the Secretary, in the sole dis-
15 cretion of the Secretary, determines necessary to
16 carry out the Home Star Retrofit Rebate Program.

17 (2) DEADLINE.—If the Secretary determines
18 that regulations described in paragraph (1) are nec-
19 essary, the regulations shall be issued not later than
20 60 days after the date of the enactment of this Act.

21 (g) INFORMATION COLLECTION.—Chapter 35 of title
22 44, United States Code, shall not apply to any information
23 collection requirement necessary for the implementation of
24 the Home Star Retrofit Rebate Program.

1 (h) ADJUSTMENT OF REBATE AMOUNTS.—Effective
2 beginning on the date that is 180 days after the date of
3 enactment of this Act, the Secretary may adjust the rebate
4 amounts provided in this section based on—

5 (1) the use of the Silver Star Home Energy
6 Retrofit Program and the Gold Star Home Energy
7 Retrofit Program; and

8 (2) other program data.

9 **SEC. 13. TREATMENT OF REBATES.**

10 (a) IN GENERAL.—For purposes of the Internal Rev-
11 enue Code of 1986, rebates received for eligible measures
12 under this Act—

13 (1) shall not be considered taxable income to a
14 homeowner;

15 (2) shall prohibit the consumer from applying
16 for a tax credit allowed under section 25C or 25D
17 of that Code for the same eligible measures per-
18 formed in the home of the homeowner; and

19 (3) shall be considered a credit allowed under
20 section 25C or 25D of that Code for purposes of any
21 limitation on the amount of the credit under that
22 section.

23 (b) NOTICE.—

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

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

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

8 (3) AVAILABILITY OF REBATE FORM.—A par-
9 ticipating contractor shall obtain the rebate form on
10 a designated website in accordance with section
11 3(b)(1)(C).

12 **SEC. 14. PENALTIES.**

13 (a) IN GENERAL.—It shall be unlawful for any per-
14 son to violate this title (including any regulation issued
15 under this Act), other than a violation as the result of
16 a clerical error.

17 (b) CIVIL PENALTY.—Any person who commits a vio-
18 lation of this Act shall be liable to the United States for
19 a civil penalty in an amount that is not more than the
20 higher of—

21 (1) \$15,000 for each violation; or

22 (2) 3 times the value of any associated rebate
23 under this Act.

24 (c) ADMINISTRATION.—The Secretary may—

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

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

5 (d) FRAUD.—In addition to any civil penalty, any
6 person who commits a fraudulent violation of this Act
7 shall be subject to criminal prosecution.

8 **SEC. 15. HOME STAR ENERGY EFFICIENCY LOAN PROGRAM.**

9 (a) DEFINITIONS.—In this section:

10 (1) ELIGIBLE PARTICIPANT.—The term “eligi-
11 ble participant” means a homeowner who receives fi-
12 nancial assistance from a qualified financing entity
13 to carry out energy efficiency or renewable energy
14 improvements to an existing home or other residen-
15 tial building of the homeowner in accordance with
16 the Gold Star Home Energy Retrofit Program or
17 the Silver Star Home Energy Retrofit Program.

18 (2) PROGRAM.—The term “program” means
19 the Home Star Energy Efficiency Loan Program es-
20 tablished under subsection (b).

21 (3) QUALIFIED FINANCING ENTITY.—The term
22 “qualified financing entity” means a State, political
23 subdivision of a State, tribal government, electric
24 utility, natural gas utility, nonprofit or community-

1 based organization, energy service company, retailer,
2 or any other qualified entity that—

3 (A) meets the eligibility requirements of
4 this section; and

5 (B) is designated by the Governor of a
6 State in accordance with subsection (e).

7 (4) QUALIFIED LOAN PROGRAM MECHANISM.—
8 The term “qualified loan program mechanism”
9 means a loan program that is—

10 (A) administered by a qualified financing
11 entity; and

12 (B) principally funded—

13 (i) by funds provided by or overseen
14 by a State; or

15 (ii) through the energy loan program
16 of the Federal National Mortgage Associa-
17 tion.

18 (b) ESTABLISHMENT.—The Secretary shall establish
19 a Home Star Energy Efficiency Loan Program under
20 which the Secretary shall make funds available to States
21 to support financial assistance provided by qualified fi-
22 nancing entities for making, to existing homes, energy effi-
23 ciency improvements that qualify under the Gold Star
24 Home Energy Retrofit Program or the Silver Star Home
25 Energy Retrofit Program.

1 (c) ELIGIBILITY OF QUALIFIED FINANCING ENTI-
2 TIES.—To be eligible to participate in the program, a
3 qualified financing entity shall—

4 (1) offer a financing product under which eligi-
5 ble participants may pay over time for the cost to
6 the eligible participant (after all applicable Federal,
7 State, local, and other rebates or incentives are ap-
8 plied) of making improvements described in sub-
9 section (b);

10 (2) require all financed improvements to be per-
11 formed by contractors in a manner that meets min-
12 imum standards that are at least as stringent as the
13 standards provided under sections 7 and 8; and

14 (3) establish standard underwriting criteria to
15 determine the eligibility of program applicants,
16 which criteria shall be consistent with—

17 (A) with respect to unsecured consumer
18 loan programs, standard underwriting criteria
19 used under the energy loan program of the
20 Federal National Mortgage Association; or

21 (B) with respect to secured loans or other
22 forms of financial assistance, commercially rec-
23 ognized best practices applicable to the form of
24 financial assistance being provided (as deter-

1 mined by the designated entity administering
2 the program in the State).

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

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

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

15 (2) has established a qualified loan program
16 mechanism that—

17 (A) includes a methodology to ensure cred-
18 ible energy savings or renewable energy genera-
19 tion;

20 (B) incorporates an effective repayment
21 mechanism, which may include—

22 (i) on-utility-bill repayment;

23 (ii) tax assessment or other form of
24 property assessment financing;

25 (iii) municipal service charges;

1 (iv) energy or energy efficiency serv-
2 ices contracts;

3 (v) energy efficiency power purchase
4 agreements;

5 (vi) unsecured loans applying the un-
6 derwriting requirements of the energy loan
7 program of the Federal National Mortgage
8 Association; or

9 (vii) alternative contractual repayment
10 mechanisms that have been demonstrated
11 to have appropriate risk mitigation fea-
12 tures; and

13 (C) will provide, in a timely manner, all in-
14 formation regarding the administration of the
15 program as the Secretary may require to permit
16 the Secretary to meet the reporting require-
17 ments of subsection (h).

18 (f) USE OF FUNDS.—Funds made available to States
19 under the program may be used to support financing prod-
20 ucts offered by qualified financing entities to eligible par-
21 ticipants for eligible energy efficiency work, by pro-
22 viding—

23 (1) interest rate reductions;

24 (2) loan loss reserves or other forms of credit
25 enhancement;

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

3 (4) other debt instruments or financial products
4 necessary—

5 (A) to maximize leverage provided through
6 available funds; and

7 (B) to support widespread deployment of
8 energy efficiency finance programs.

9 (g) USE OF REPAYMENT FUNDS.—In the case of a
10 revolving loan fund established by a State described in
11 subsection (f)(3), a qualified financing entity may use
12 funds repaid by eligible participants under the program
13 to provide financial assistance for additional eligible par-
14 ticipants to make improvements described in subsection
15 (b) in a manner that is consistent with this section or
16 other such criteria as are prescribed by the State.

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

20 (1) how many eligible participants have partici-
21 pated in the program;

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

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

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

7 (5) the performance of the programs carried
8 out by qualified financing entities under this section,
9 including information on the rate of default and re-
10 payment.

11 (i) CREDIT SUPPORT.—Section 1705(a) of the En-
12 ergy Policy Act of 2005 (42 U.S.C. 16516(a)) is amended
13 by adding at the end the following:

14 “(4) Energy efficiency projects, including
15 projects to retrofit residential, commercial, and in-
16 dustrial buildings, facilities, and equipment.”.

17 **SEC. 16. FUNDING.**

18 (a) AUTHORIZATION OF APPROPRIATIONS.—

19 (1) IN GENERAL.—Subject to subsection (j),
20 there is authorized to be appropriated to carry out
21 this title \$6,000,000,000 for the period of each of
22 fiscal years 2010 through 2012 to remain available
23 until expended.

24 (2) MAINTENANCE OF FUNDING.—Funds pro-
25 vided under this section shall supplement and not

1 supplant any Federal and State funding provided to
2 carry out energy efficiency programs in existence on
3 the date of enactment of this Act.

4 (b) GRANTS TO STATES.—

5 (1) IN GENERAL.—Of the amount provided
6 under subsection (a), \$380,000,000 or not more
7 than 6 percent, whichever is less, shall be used to
8 carry out section 9.

9 (2) DISTRIBUTION TO STATE ENERGY OF-
10 FICES.—

11 (A) IN GENERAL.—Not later than 30 days
12 after the date of enactment of this Act, the Sec-
13 retary shall—

14 (i) provide to State energy offices 25
15 percent of the funds described in para-
16 graph (1); and

17 (ii) determine a formula to provide
18 the balance of funds to State energy offices
19 through a performance-based system.

20 (B) ALLOCATION.—

21 (i) ALLOCATION FORMULA.—Funds
22 described in subparagraph (A)(i) shall be
23 made available in accordance with the allo-
24 cation formula for State energy conserva-
25 tion plans established under part D of title

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

3 (ii) PERFORMANCE-BASED SYSTEM.—

4 The balance of the funds described in sub-
5 paragraph (A)(ii) shall be made available
6 in accordance with the performance-based
7 system described in subparagraph (A)(ii).

8 (c) QUALITY ASSURANCE COSTS.—

9 (1) IN GENERAL.—Of the amount provided
10 under subsection (a), not more than 5 percent shall
11 be used to carry out the quality assurance provisions
12 of this Act.

13 (2) MANAGEMENT.—Funds provided under this
14 subsection shall be overseen by—

15 (A) State energy offices described in sub-
16 section (b)(2); or

17 (B) other entities determined by the Sec-
18 retary to be eligible to carry out quality assur-
19 ance functions under this Act.

20 (3) DISTRIBUTION TO QUALITY ASSURANCE
21 PROVIDERS OR REBATE AGGREGATORS.—The Sec-
22 retary shall use funds provided under this subsection
23 to compensate quality assurance providers, or rebate
24 aggregators, for services under the Silver Star Home
25 Energy Retrofit Program or the Gold Star Home

1 Energy Retrofit Program through the Federal Re-
2 bate Processing Center based on the services pro-
3 vided to contractors under a quality assurance pro-
4 gram and rebate aggregation.

5 (4) INCENTIVES.—The amount of incentives
6 provided to quality assurance providers or rebate
7 aggregators shall be—

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

10 (I) \$25 per rebate review and submis-
11 sion provided under the program; and

12 (II) \$150 for each field inspection
13 conducted under the program; and

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

16 (I) \$35 for each rebate review and
17 submission provided under the program;
18 and

19 (II) \$300 for each field inspection
20 conducted under the program; or

21 (B) such other amounts as the Secretary
22 considers necessary to carry out the quality as-
23 surance provisions of this Act.

24 (d) TRACKING OF REBATES AND EXPENDITURES.—

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

1 than \$150,000,000 shall be used for costs associated with
2 database systems to track rebates and expenditures under
3 this Act and related administrative costs incurred by the
4 Secretary.

5 (e) PUBLIC EDUCATION AND COORDINATION.—Of
6 the amount provided under subsection (a), not more than
7 \$10,000,000 shall be used for costs associated with public
8 education and coordination with the Federal Energy Star
9 program incurred by the Administrator.

10 (f) INDIAN TRIBES.—Of the amount provided under
11 subsection (a), the Secretary shall reserve not more than
12 3 percent to make grants available to Indian tribes under
13 this section.

14 (g) SILVER STAR HOME ENERGY RETROFIT PRO-
15 GRAM.—In the case of the Silver Star Home Energy Ret-
16 rofit Program, of the amount provided under subsection
17 (a) after funds are provided in accordance with sub-
18 sections (b) through (e), \$3,417,000,000 for the 1-year
19 period beginning on the date of enactment of this Act (less
20 any amounts required under subsection (f)) shall be used
21 by the Secretary to provide rebates and incentives author-
22 ized under the Silver Star Home Energy Retrofit Pro-
23 gram.

24 (h) GOLD STAR HOME ENERGY RETROFIT PRO-
25 GRAM.—In the case of the Gold Star Home Energy Ret-

1 retrofit Program, of the amount provided under subsection
2 (a) after funds are provided in accordance with sub-
3 sections (b) through (e), \$1,683,000 for the 2-year period
4 beginning on the date of enactment of this Act (less any
5 amounts required under subsection (f)) shall be used by
6 the Secretary to provide rebates and incentives authorized
7 under the Gold Star Home Energy Retrofit Program.

8 (i) PROGRAM REVIEW AND BACKSTOP FUNDING.—

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

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

18 (j) RETURN OF UNDISBURSED FUNDS.—

19 (1) SILVER STAR HOME ENERGY RETROFIT
20 PROGRAM.—If the Secretary has not disbursed all
21 the funds available for rebates under the Silver Star
22 Home Energy Retrofit Program by the date that is
23 1 year after the date of enactment of this Act, any
24 undisbursed funds shall be made available to the
25 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.

7 (k) FINANCING.—Of the amounts allocated to the
8 States under subsection (b), not less than \$200,000,000
9 shall be used to carry out the financing provisions of this
10 Act in accordance with section 15.

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