

116TH CONGRESS
1ST SESSION

H. R. 2043

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2019

Mr. WELCH (for himself and Mr. MCKINLEY) 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 a Home Energy Savings 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 Owner Man-
5 aging Energy Savings Act of 2019” or the “HOMES
6 Act”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

1 (1) BPI.—The term “BPI” means the Building
2 Performance Institute.

3 (2) ENERGY AUDIT.—The term “energy audit”
4 means an inspection, survey, and analysis of energy
5 flows for energy conservation in a building, process,
6 or system to reduce the amount of energy input into
7 the system without negatively affecting the output.
8 An energy audit is the first step in identifying op-
9 portunities to reduce energy expense and carbon
10 footprints.

11 (3) ELECTRIC UTILITY.—The term “electric
12 utility” means any company, person, cooperative,
13 State, or Indian tribe agency that delivers or sells
14 electric energy at retail, including nonregulated utili-
15 ties, utilities that are subject to State or Indian tribe
16 rate regulation, and Federal power marketing ad-
17 ministrations.

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

22 (5) HOME.—The term “home” means a resi-
23 dential dwelling unit in a building with no more than
24 4 dwelling units that—

25 (A) is located in the United States;

1 (B) was constructed before the date of en-
2 actment of this Act; and

3 (C) is occupied at least six months out of
4 the year.

5 (6) HOME ENERGY SAVINGS RETROFIT REBATE
6 PROGRAM.—The terms “Home Energy Savings Ret-
7 rofit Rebate Program” or “Program” means the
8 Home Energy Savings Retrofit Rebate Program es-
9 tablished under section 3(a).

10 (7) HOMEOWNER.—The term “homeowner”
11 means the owner of an owner-occupied home or a
12 tenant-occupied home.

13 (8) 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. 5304).

17 (9) NATURAL GAS UTILITY.—The term “nat-
18 ural gas utility” means any company, person, coop-
19 erative, State or local governmental agency or in-
20 strumentality, or Indian tribe that transports, dis-
21 tributes, or sells natural gas at retail.

22 (10) 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 (11) QUALIFIED HOME ENERGY EFFICIENCY
2 RETROFIT.—The term “qualified home energy effi-
3 ciency retrofit” means a retrofit described in section
4 8(d).

5 (12) QUALITY ASSURANCE PROGRAM.—The
6 term “quality assurance program” means a program
7 established under this Act, or recognized by the Sec-
8 retary under this Act, to oversee the delivery of
9 home efficiency retrofit programs to ensure that
10 work is performed in accordance with standards and
11 criteria established under this Act. Delivery of ret-
12 rofit programs includes delivery of quality assurance
13 reviews of rebate applications and field inspections.
14 Individuals performing quality assurance work under
15 a quality assurance program must be certified under
16 an ANSI accredited quality control inspection certifi-
17 cation designation.

18 (13) 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 (14) REBATE AGGREGATOR.—The term “rebate
23 aggregator” means an entity that meets the require-
24 ments of section 5.

1 (15) 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 and Energy Smart Con-
 6 tractors that make energy improvements to the
 7 home.

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

10 (17) STATE.—The term “State” means—

- 11 (A) a State;
- 12 (B) the District of Columbia;
- 13 (C) the Commonwealth of Puerto Rico;
- 14 (D) Guam;
- 15 (E) American Samoa;
- 16 (F) the Commonwealth of the Northern
- 17 Mariana Islands;
- 18 (G) the United States Virgin Islands; and
- 19 (H) any other territory or possession of the
- 20 United States.

21 **SEC. 3. HOME ENERGY SAVINGS RETROFIT REBATE PRO-**
 22 **GRAM.**

23 (a) IN GENERAL.—The Secretary shall establish the
 24 Home Energy Savings Retrofit Rebate Program.

25 (b) FEDERAL REBATE PROCESSING SYSTEM.—

1 (1) IN GENERAL.—Not later than 180 days
2 after the date of enactment of this Act, the Sec-
3 retary, in consultation with the Secretary of the
4 Treasury, shall—

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

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

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

16 (ii) how to participate in the Program;
17 and

18 (C) make available model forms for dem-
19 onstrating compliance with all applicable re-
20 quirements of this Act, which shall be required
21 to be submitted by—

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

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

3 (2) MODEL FORMS.—In carrying out paragraph
4 (1)(C), the Secretary shall convene a group of stake-
5 holders that are directly and materially affected by
6 the Program to develop the final forms.

7 **SEC. 4. CONTRACTORS.**

8 (a) CONTRACTOR QUALIFICATIONS.—A contractor
9 may perform retrofit work under the Home Energy Sav-
10 ings Retrofit Rebate Program in a State if the con-
11 tractor—

12 (1) meets all applicable contractor licensing re-
13 quirements established by the State;

14 (2) is—

15 (A) accredited by—

16 (i) BPI as a BPI GoldStar Con-
17 tractor;

18 (ii) RESNET as an Energy Smart
19 Home Performance Team;

20 (iii) ACCA as a QA Home Perform-
21 ance Contractor;

22 (iv) a State-based certification pro-
23 gram established to carry out State energy,
24 clean air, or environmental programs; or

1 (v) an equivalent accreditation pro-
2 gram approved by the Secretary for this
3 purpose; or

4 (B) the general contractor, and—

5 (i) subjects the energy efficiency ret-
6 rofit to a third-party review by a party ap-
7 proved by the Secretary and a quality as-
8 surance inspection authorized by the Sec-
9 retary; and

10 (ii) employs, or utilizes subcontractors
11 who employ, individuals to complete indi-
12 vidual or comprehensive scopes of work re-
13 lated to the energy efficiency retrofit who
14 are certified by—

15 (I) BPI;

16 (II) RESNET;

17 (III) NATE;

18 (IV) ACCA;

19 (V) LIUNA;

20 (VI) the Regional and State De-
21 partment of Energy Weatherization
22 Training Centers; or

23 (VII) other contractor or worker
24 certification programs approved by
25 the Secretary;

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

5 (4) provides warranties to the homeowner that
6 completed work will—

7 (A) be free of significant defects;

8 (B) be installed in accordance with the
9 specifications of the manufacturer, and all ap-
10 plicable State and local codes; and

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

14 (5) completes an energy audit to determine the
15 impact of the proposed energy efficiency measures in
16 accordance with an ANSI accredited energy auditing
17 standard.

18 (b) AGREEMENT BETWEEN CONTRACTOR AND
19 HOMEOWNER.—A contractor who performs retrofit work
20 under the Home Energy Savings Retrofit Rebate Program
21 must sign a written or electronic contract with the home-
22 owner that includes—

23 (1) an agreement to not increase the cost of the
24 home improvement as a result of the rebates re-

1 ceived under this Act with respect to physical im-
2 provements made to the home;

3 (2) if the contractor and homeowner choose the
4 transferable rebate option authorized under section
5 7, an agreement to provide the homeowner, before a
6 contract is executed between the contractor and the
7 homeowner covering the eligible work, a notice of the
8 rebate amount the contractor intends to apply for
9 with respect to eligible work under this Act; and

10 (3) a notice that the homeowner acknowledges
11 that they—

12 (A) reviewed the national retrofit website
13 for the Program;

14 (B) understand the scope of work intended
15 to be completed and that such work may be eli-
16 gible for a rebate under the Program; and

17 (C) understand that the rebate funds are
18 fully subject to availability from the Depart-
19 ment of Energy or rebate aggregator and not
20 within the control of the contractor.

21 **SEC. 5. REBATE AGGREGATORS.**

22 (a) IN GENERAL.—The Secretary shall develop a net-
23 work of rebate aggregators or a national rebate aggregator
24 that can facilitate the delivery of rebates to homeowners

1 or contractors participating in the Home Energy Savings
2 Retrofit Rebate Program by—

3 (1) reviewing the proposed rebate application
4 for completeness and accuracy;

5 (2) reviewing measures for eligibility in accord-
6 ance with this Act;

7 (3) providing data to the Federal Rebate Proc-
8 essing System consistent with data protocols estab-
9 lished by the Secretary; and

10 (4) not later than 30 days after the date of re-
11 ceipt, distributing funds received from the Depart-
12 ment of Energy to homeowners or contractors.

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

16 (1) a Home Performance with Energy Star pro-
17 gram sponsor;

18 (2) an entity administering a residential or
19 building energy efficiency retrofit program, solar
20 program, or other such program impacting energy
21 efficiency in homes established or approved by a
22 State or local government;

23 (3) a Federal power marketing administration,
24 an electric utility, or a natural gas utility that has—

1 (A) a residential energy efficiency retrofit
2 program; and

3 (B) a quality assurance provider or pro-
4 vider network; or

5 (4) an entity that demonstrates to the Sec-
6 retary that the entity can perform the functions of
7 a rebate aggregator, without disrupting existing resi-
8 dential retrofits in the States that are incorporating
9 the Home Energy Savings Retrofit Rebate Program,
10 including demonstration of—

11 (A) the capability to provide electronic
12 data to the Federal Rebate Processing System;

13 (B) a financial system that is capable of
14 tracking the distribution of rebates to partici-
15 pating contractors; and

16 (C) coordination and cooperation by the
17 entity with the appropriate State energy office
18 regarding participation in the existing energy
19 efficiency programs that will be delivering the
20 Home Energy Savings Retrofit Rebate Pro-
21 gram.

22 (c) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
23 GETS.—The Secretary shall—

24 (1) develop guidelines for States and local gov-
25 ernments to use to allow utilities participating as re-

1 bate aggregators to count the energy savings from
2 the participation of the utilities toward State and
3 local level energy savings targets; and

4 (2) work with States and local governments to
5 assist in the adoption of those guidelines for the
6 purposes and duration of the Home Energy Savings
7 Retrofit Rebate Program.

8 **SEC. 6. QUALITY ASSURANCE PROVIDERS.**

9 (a) **QUALIFICATIONS.**—An entity shall be considered
10 a quality assurance provider under this Act only if the en-
11 tity is qualified through—

12 (1) the BPI;

13 (2) RESNET; or

14 (3) any other entity designated by the Secretary
15 such as a State, local government, or State-approved
16 or local government-approved residential energy effi-
17 ciency retrofit program.

18 (b) **FUNCTIONS.**—A quality assurance provider
19 shall—

20 (1) be independent of the contractor;

21 (2) confirm that contractors or installers of
22 home energy efficiency retrofits meet the qualifica-
23 tion requirements of this Act; and

24 (3) perform field inspections to confirm the
25 compliance of the retrofit work and the simulated

1 energy savings under the Home Energy Savings Ret-
2 rofit Rebate Program.

3 **SEC. 7. TRANSFERABILITY OF HOME ENERGY SAVINGS RE-**
4 **BATE.**

5 A homeowner may transfer the rebate provided under
6 the Home Energy Savings Retrofit Rebate Program to the
7 contractor performing the retrofit work if the contractor
8 completes a form that accompanies the rebate form devel-
9 oped under section 3(b). This form, to be made publically
10 available by the Secretary 90 days after the date of enact-
11 ment of this Act, must be approved by paper signature
12 or electronically by the homeowner and include—

13 (1) the amount of the rebate the contractor will
14 submit for disbursement to the contractor;

15 (2) the level of energy use reduction of the
16 home retrofit certified under section 8(e)(4), and as-
17 surance that the contractor will provide the certifi-
18 cate to the homeowner within 30 days of receipt
19 from the Department of Energy;

20 (3) a documentation report of the retrofit per-
21 formed and paid by the homeowner; and

22 (4) confirmation from the homeowner that they
23 understand they have the right to submit directly for
24 the rebate and have chosen to transfer the credit in
25 full to the contractor.

1 **SEC. 8. HOME ENERGY SAVINGS RETROFIT REBATE PRO-**
2 **GRAM.**

3 (a) IN GENERAL.—If a qualified home energy effi-
4 ciency retrofit of a home is carried out after the date of
5 enactment of this Act by a qualified contractor in accord-
6 ance with this Act, subject to appropriations made avail-
7 able for such purpose, rebates shall be awarded for retro-
8 fits that achieve home energy savings in accordance with
9 this Act.

10 (b) AMOUNT OF REBATES.—

11 (1) IN GENERAL.—Subject to subsection (e),
12 the amount of a rebate provided to the owner of a
13 home or a designee of the owner under this section
14 shall be determined in accordance with the following
15 formula:

16 (A) Retrofits that are projected to save at
17 least 20 percent of energy use (Home Perform-
18 ance Retrofits) shall receive a rebate of \$2,500.

19 (B) Retrofits that are projected to save at
20 least 40 percent of energy use (Deep Home
21 Performance Retrofits) shall receive a rebate of
22 \$5,000.

23 (2) REBATE PAYMENT.—

24 (A) IN GENERAL.—The rebate shall be
25 paid, based on energy savings as calculated
26 under subsection (e), within 60 days after—

- 1 (i) submission of the required rebate
2 forms; and
3 (ii) the completion of any quality as-
4 surance assessment required under sub-
5 paragraph (B).

6 (B) QUALITY ASSURANCE ASSESSMENTS.—

7 The Secretary shall establish a schedule of re-
8 quired quality assurance assessments. In the
9 first year of the Program, the first 10 homes
10 retrofit by each contractor and then 60 percent
11 of all future homes shall be required to have a
12 quality assurance assessment. The Secretary
13 shall establish a cost effective schedule of re-
14 quired quality assurance assessments for subse-
15 quent years based on performance under the
16 Program.

17 (C) BONUS INCENTIVE.—Recipients of
18 grants under section 9 and rebate aggregators
19 are encouraged to present a proposal to the
20 Secretary for an incentive bonus for contractors
21 who have delivered services to consumers and
22 who have achieved a 70 percent or greater real-
23 ization rate for predicted gross energy cost sav-
24 ings achieved by their portfolio of participating
25 customers. Bonus incentives under such a pro-

1 posal may be up to 20 percent of the rebate
2 paid to the homeowner.

3 (3) LIMITATION.—In no event shall the amount
4 of rebates under this subsection exceed—

5 (A) \$10,000 with respect to any individual;
6 or

7 (B) 50 percent of the qualified home en-
8 ergy efficiency expenditures paid or incurred by
9 the homeowner under subsection (c).

10 (c) QUALIFIED HOME ENERGY EFFICIENCY EX-
11 PENDITURES.—For purposes of this section, the term
12 “qualified home energy efficiency expenditures”—

13 (1) means any amount paid or incurred by a
14 homeowner for a qualified home energy efficiency
15 retrofit, including the cost of diagnostic procedures,
16 labor, reporting, and modeling; and

17 (2) does not include—

18 (A) improvements to swimming pools or
19 hot tubs; or

20 (B) any amount paid or incurred to pur-
21 chase or install a biomass, wood, or wood pellet
22 furnace, boiler, or stove, unless the system—

23 (i) is designed to meet at least 70 per-
24 cent of the heating demands of the home;

1 (ii) in the case of woodstoves, is cer-
2 tified by the Environmental Protection
3 Agency;

4 (iii) in the case of a wood stove re-
5 placement, replaces an existing wood stove
6 with a stove that is certified by the Envi-
7 ronmental Protection Agency, if a voucher
8 is provided by the installer or other respon-
9 sible party certifying that the old stove has
10 been removed and made inoperable;

11 (iv) in the case of a furnace or boiler,
12 is in a home with a distribution system
13 (such as piping, ducts, vents, blowers, or
14 affixed fans) that allows heat from the fur-
15 nace or boiler to reach all or most parts of
16 the home; and

17 (v) is certified by an independent test
18 laboratory approved by the Secretary as
19 having—

20 (I) thermal efficiency (with a
21 high heating value) of at least 75 per-
22 cent for stoves and 80 percent for fur-
23 naces and boilers;

1 (II) particulate emissions of less
2 than 3.0 grams per hour for wood
3 stoves or pellet stoves; and
4 (III) less than 0.07 lbs per mil-
5 lion BTU for outdoor boilers and fur-
6 naces.

7 (d) QUALIFIED HOME ENERGY EFFICIENCY RET-
8 ROFIT.—

9 (1) IN GENERAL.—A qualified home energy ef-
10 ficiency retrofit is a retrofit that implements meas-
11 ures, during a rebate-eligible year in the existing
12 principal residence of the homeowner which is lo-
13 cated in the United States, intended to reduce the
14 energy use of such residence. A qualified home en-
15 ergy efficiency retrofit shall—

16 (A) be implemented and installed by a
17 qualified contractor;

18 (B) install a set of measures modeled to
19 achieve a reduction in home energy use of 20
20 percent or more from the baseline established
21 under subparagraph (C), using computer mod-
22 eling software approved under paragraph (2);

23 (C) establish the baseline energy use as
24 provided in subsection (e)(1)(C);

1 (D) implement a test-out procedure, fol-
2 lowing guidelines of the applicable accrediting
3 program established by an organization identi-
4 fied in section 4(a)(2) or equivalent guidelines
5 approved by the Secretary for this purpose, to
6 ensure—

7 (i) the safe operation of all systems
8 post retrofit; and

9 (ii) that, except as provided in para-
10 graph (3), all improvements are included
11 in, and have been installed according to—

12 (I) standards of the applicable
13 accrediting program established by an
14 organization identified in section
15 4(a)(2);

16 (II) manufacturers installation
17 specifications; and

18 (III) all applicable State and
19 local codes or equivalent standards
20 approved by the Secretary for this
21 purpose;

22 (E) include only measures that have an av-
23 erage estimated life of 5 years or more as deter-
24 mined by the Secretary;

1 (F) not include funds paid or incurred in
2 connection with any expansion of the square
3 footage of the residence; and

4 (G) not include improvements to swimming
5 pools or hot tubs or any other expenditure spe-
6 cifically excluded by the Secretary.

7 (2) APPROVED MODELING SOFTWARE.—The
8 contractor shall use modeling software certified by
9 RESNET as following the software verification test
10 suites in section 4.2.1 of RESNET Publication No.
11 13–001, or under equivalent standards approved by
12 the Secretary for this purpose, and shall have the
13 ability at a minimum to assess the savings associ-
14 ated with all the measures for Home Energy Savings
15 Retrofit Rebate Program.

16 (3) EXCEPTION.—For purposes of paragraph
17 (1)(D)(ii), installation of gas-fired appliances shall
18 comply with requirements of the National Fuel Gas
19 Code (ANSI Z223.1/NFPA 54) and applicable in-
20 stallation requirements in lieu of performance of
21 combustion tests outside those required by the Na-
22 tional Fuel Gas Code (2012 Edition) and the Inter-
23 national Fuel Gas Code (2012 Edition).

24 (e) ENERGY USE REDUCTION.—

1 (1) DETERMINATION OF ENERGY USE REDUC-
2 TION.—

3 (A) IN GENERAL.—The reduction in en-
4 ergy use for any residence shall be determined
5 by modeling the annual predicted percentage re-
6 duction in total energy consumption or costs for
7 heating, cooling, hot water, and permanent
8 lighting. It shall be modeled using computer
9 modeling software approved under subsection
10 (d)(2) and calibrated according to subpara-
11 graph (C) of this paragraph.

12 (B) ENERGY COSTS.—For the purposes of
13 subparagraph (A), the energy cost per unit of
14 fuel for each fuel type shall be determined by
15 dividing the total actual energy bill (subtracting
16 taxes and fees) for the residence for that fuel
17 type for the most recent available 12-month pe-
18 riod by the total energy units of that fuel type
19 used over the same period.

20 (C) BASELINE ENERGY USE.—For the
21 purposes of subparagraph (A), the software
22 model that establishes the baseline energy use
23 and predicted energy savings shall be calibrated
24 according to the procedures set forth in sections
25 3 and 4 of ANSI/BPI Standard BPI-2400-S-

1 2012: Standard Practice for Standardized
2 Qualification of Whole-House Energy Savings
3 Predictions by Calibration to Energy Use His-
4 tory, or an equivalent standard approved by the
5 Secretary for this purpose.

6 (2) DOCUMENTATION.—The percent improve-
7 ment in energy consumption calculated under this
8 section shall be documented through modeling soft-
9 ware described in subsection (d)(2).

10 (3) MONITORING.—The Secretary—

11 (A) shall periodically evaluate the software
12 packages used for determining rebates under
13 this section;

14 (B) shall monitor and compare the pre-
15 dictions to the real energy data, and based on
16 the results, create performance criteria to allow
17 or disallow the software; and

18 (C) may disallow the use of software pro-
19 grams that improperly assess energy savings.

20 (4) CERTIFICATE OF RETROFIT PERFORM-
21 ANCE.—The Secretary shall establish a system for
22 distribution of a certificate of performance in ac-
23 cordance with BPI-2101-S-2013: Standard Re-
24 quirements for a Certificate of Completion for Resi-
25 dential Energy Efficiency Upgrades with the

1 issuance of a rebate that certifies the predicted level
2 of energy use reduction achieved by the retrofit. The
3 certificate shall be provided to the rebate recipient.
4 If the recipient is the contractor under the terms of
5 section 7, the contractor shall remit the certificate to
6 the homeowner, to be delivered or postmarked not
7 later than 30 days after the contractor's receipt of
8 the certificate.

9 (5) EXCEPTION.—The Secretary shall not uti-
10 lize the authority provided under this Act to—

11 (A) develop, adopt, or implement a public
12 labeling system that rates and compares the en-
13 ergy performance of one home with another; or

14 (B) require the public disclosure of an en-
15 ergy performance evaluation or rating developed
16 for any specific home.

17 Nothing in this paragraph shall preclude the com-
18 putation, collection, or use, by the Secretary, rebate
19 aggregators, or quality assurance providers, or the
20 States or Indian tribes, for the purposes of gath-
21 ering information on the rating and comparison of
22 the energy performance of homes with and without
23 energy efficiency retrofits.

24 (f) QUALIFICATION FOR REBATE.—On submission of
25 a claim for a retrofit rebate by a rebate aggregator, the

1 Secretary shall provide reimbursement to the rebate
2 aggregator, if—

3 (1) the retrofit is a qualified home energy effi-
4 ciency retrofit;

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

7 (3) documentation required to verify the claim
8 is transmitted with the claim; and

9 (4) any quality assurance assessment required
10 by the Secretary or the rebate aggregator has been
11 completed.

12 (g) AUDITS.—

13 (1) IN GENERAL.—On making payment for a
14 submission under this section, the Secretary shall re-
15 view rebate requests to determine whether Program
16 requirements 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, not later than
20 3 years after the payment was provided the Sec-
21 retary shall—

22 (A) recoup the amount of the incorrect
23 payment; or

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

4 (h) INCENTIVES.—The amount of incentives that the
5 Secretary may provide to quality assurance providers and
6 rebate aggregators under this Act shall be—

7 (1) \$50 for each rebate review and submission
8 provided under the Program;

9 (2) \$250 for each field inspection conducted
10 under the Program; or

11 (3) such other amounts as the Secretary con-
12 siderers necessary to carry out the quality assurance
13 provisions of this Act.

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

15 (a) IN GENERAL.—A State or Indian tribe that re-
16 ceives a grant under subsection (d) shall be permitted to
17 use the grant for—

18 (1) administrative costs;

19 (2) oversight of quality assurance plans;

20 (3) development of a quality assurance pro-
21 gram;

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

24 (5) coordination with existing residential ret-
25 rofit programs and infrastructure development to as-

1 sist deployment of the Home Energy Savings Ret-
2 rofit Rebate Program; and

3 (6) the costs of carrying out the responsibilities
4 of the State or Indian tribe under the Home Energy
5 Savings Retrofit Rebate Program.

6 (b) INITIAL GRANTS.—Not later than 60 days after
7 receipt of a completed application for a grant under this
8 section, the Secretary shall either make the grant or pro-
9 vide to the applicant an explanation for denying the grant.

10 (c) INDIAN TRIBES.—The Secretary shall reserve an
11 appropriate amount of funding made available to carry out
12 this section for each fiscal year to make grants available
13 to Indian tribes under this section.

14 (d) STATE ALLOTMENTS.—From the amounts made
15 available to carry out this section for each fiscal year re-
16 maining after the reservation required under subsection
17 (c), the Secretary shall make grants available to States
18 in accordance with section 15.

19 (e) QUALITY ASSURANCE PROGRAMS.—

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

23 (A) operated as part of a State or local
24 government approved energy conservation plan
25 established under part D of title III of the En-

ergy Policy and Conservation Act (42 U.S.C. 6321 et seq.);

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

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

(ii) to the maximum extent practicable conducting an existing energy efficiency program; and

(C) in the case of a grant made to an Indian tribe, managed by an entity designated by the Indian tribe to carry out a quality assurance program or a national quality assurance program manager.

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

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

(B) require that quality assurance providers operating in the State or by the Indian tribe be overseen by a national quality assur-

1 ance program manager selected by the Sec-
2 retary.

3 (f) IMPLEMENTATION.—A State or Indian tribe that
4 receives a grant under this section may implement a qual-
5 ity assurance program through the State, the Indian tribe,
6 or a third party designated by the State or Indian tribe,
7 including—

8 (1) an energy service company;

9 (2) an electric utility;

10 (3) a natural gas utility;

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

13 (5) a unit of local government.

14 (g) PUBLIC-PRIVATE PARTNERSHIPS.—A State or
15 Indian tribe that receives a grant under this section is en-
16 couraged to form partnerships with utilities, energy serv-
17 ice companies, and other entities—

18 (1) to assist in marketing a program;

19 (2) to facilitate consumer financing;

20 (3) to assist in implementation of the Home
21 Energy Savings Retrofit Rebate Program, including
22 installation of qualified home energy efficiency retro-
23 fits; and

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

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

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

7 (A) the Energy Star appliance rebates pro-
8 gram authorized under the American Recovery
9 and Reinvestment Act of 2009 (Public Law
10 111–5; 123 Stat. 115); and

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

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

17 (A) give priority to—

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

22 (ii) using funds made available under
23 this Act to enhance and extend existing
24 programs; and

1 (B) seek to enhance and extend existing
2 programs by coordinating with administrators
3 of the programs.

4 **SEC. 10. QUALITY ASSURANCE PROGRAM.**

5 (a) PLAN.—As part of a grant application described
6 in section 9(b), a State or Indian tribe shall submit to
7 the Secretary a plan to implement a quality assurance pro-
8 gram that covers all federally assisted residential effi-
9 ciency retrofit work administered, supervised, or spon-
10 sored by the State or Indian tribe.

11 (b) IMPLEMENTATION.—The State or Indian tribe
12 shall—

13 (1) develop a quality assurance program in con-
14 sultation with industry stakeholders, including rep-
15 resentatives of efficiency program managers, con-
16 tractors, and environmental, energy efficiency, and
17 labor organizations; and

18 (2) implement the quality assurance program
19 not later than 180 days after receipt of a grant
20 under section 9.

21 (c) COMPONENTS.—The quality assurance program
22 established under this section shall include—

23 (1) maintenance of a list of qualified contrac-
24 tors authorized to perform such retrofit work as de-
25 scribed in section 4; and

1 (2) nonbinding targets and realistic plans for—

2 (A) the recruitment of small minority-
3 owned or women-owned business enterprises;
4 and

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

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

19 **SEC. 11. EVALUATION REPORT TO CONGRESS.**

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

1 (b) CONTENTS.—The report submitted under sub-
2 section (a) shall evaluate—

3 (1) how many eligible participants have partici-
4 pated in the Program;

5 (2) how many jobs have been created through
6 the Program, directly and indirectly;

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

10 (4) the quantity of verifiable energy savings,
11 homeowner energy bill savings, and other benefits of
12 the Program;

13 (5) any waste, fraud, or abuse with respect to
14 such funds; and

15 (6) any other information the Secretary con-
16 siders appropriate.

17 (c) NONCOMPLIANCE.—The Secretary shall require
18 rebate aggregators, States, and Indian tribes to provide
19 the information required to enable the Secretary to carry
20 out this section. If the Secretary determines that a rebate
21 aggregator, State, or Indian tribe has not provided such
22 information on a timely basis, the Secretary shall provide
23 to the rebate aggregator, State, or Indian tribe a period
24 of at least 90 days to provide any necessary information,

1 subject to withholding of funds or reduction of future
2 grant amounts, or decertification of rebate aggregators.

3 **SEC. 12. ADMINISTRATION.**

4 (a) IN GENERAL.—Subject to section 15(b), not later
5 than 30 days after the date of enactment of this Act, the
6 Secretary shall provide such administrative and technical
7 support to rebate aggregators, States, and Indian tribes
8 as is necessary to carry out this Act.

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

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

20 (d) INFORMATION COLLECTION.—The Secretary
21 shall establish, and make available to a homeowner, or the
22 homeowner’s designated representative, seeking a rebate
23 under this Act, release forms authorizing access by the
24 Secretary, or a designated third-party representative to in-
25 formation in the utility bills of the homeowner. The form

1 shall not include personal identifying information such as
2 name, address, social security number or other identifying
3 information as defined by the Secretary.

4 **SEC. 13. TREATMENT OF REBATES.**

5 (a) IN GENERAL.—For purposes of the Internal Rev-
6 enue Code of 1986, rebates received for a qualified home
7 energy efficiency retrofit under this Act—

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

10 (2) shall prohibit the consumer from applying
11 for a tax credit allowed under section 25C or 25D
12 of that Code for the same retrofit work performed
13 in the home of the homeowner. If the work is addi-
14 tional, and not included in the rebate baseline, a
15 homeowner may claim the credit.

16 (b) NOTICE.—

17 (1) IN GENERAL.—A participating contractor
18 shall provide notice to a homeowner of the provisions
19 of subsection (a) before eligible work is performed in
20 the home of the homeowner.

21 (2) NOTICE IN REBATE FORM.—A homeowner
22 shall be notified of the provisions of subsection (a)
23 in the appropriate rebate form developed by the Sec-
24 retary, in consultation with the Secretary of the
25 Treasury.

1 **SEC. 14. PENALTIES.**

2 (a) IN GENERAL.—It shall be unlawful for any per-
3 son to violate this Act (including any regulation issued
4 under this Act), other than a violation as the result of
5 a clerical error.

6 (b) CIVIL PENALTY.—In addition to any penalty ap-
7 plicable under other Federal law for fraud or other crimes,
8 any person who commits a violation of this Act shall be
9 liable to the United States for a civil penalty in an amount
10 that is not more than the higher of—

11 (1) \$15,000 for each violation; or

12 (2) 3 times the value of any associated rebate
13 under this Act.

14 (c) ADMINISTRATION.—The Secretary may—

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

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

19 **SEC. 15. FUNDING.**

20 (a) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—There are authorized to be
22 appropriated to the Secretary to carry out this Act
23 \$250,000,000 for each of fiscal years 2021 through
24 2025, to remain available until expended.

25 (2) MAINTENANCE OF FUNDING.—Funds pro-
26 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 amounts provided
6 under subsection (a), not more than 6 percent shall
7 be used to carry out section 9.

8 (2) DISTRIBUTION TO STATE ENERGY OF-
9 FICES.—Not later than 45 days after the date of en-
10 actment of this Act, the Secretary shall determine a
11 formula to provide funds described in paragraph (1)
12 to State energy offices, in accordance with the allo-
13 cation formula for State energy conservation plans
14 established under part D of title III of the Energy
15 Policy and Conservation Act (42 U.S.C. 6321 et
16 seq.).

17 (c) TRACKING OF REBATES AND EXPENDITURES.—
18 Of the amount provided under subsection (a), not more
19 than 2.5 percent are authorized to be appropriated to the
20 Secretary to be used for costs associated with tracking re-
21 bates and expenditures through the Federal Rebate Proc-
22 essing System under this Act, technical assistance to
23 States, and related administrative costs incurred by the
24 Secretary.

25 (d) PROGRAM REVIEW AND BACKSTOP FUNDING.—

1 (1) IN GENERAL.—Not later than 180 days
2 after the date of enactment of this Act, the Sec-
3 retary shall perform a State-by-State analysis and
4 review the distribution of rebates under this Act.

5 (2) ADJUSTMENT.—The Secretary may allocate
6 technical assistance funding to assist States that
7 have not sufficiently benefitted from the Home En-
8 ergy Savings Retrofit Rebate Program.

9 **SEC. 16. PILOT PROGRAM.**

10 (a) ESTABLISHMENT.—

11 (1) IN GENERAL.—Notwithstanding any other
12 provision of this Act, the Secretary shall establish a
13 Residential Energy Efficiency Pay for Performance
14 pilot program for States to encourage the use of
15 measured energy savings, and financial payments for
16 those energy savings, in the operation of residential
17 energy efficiency programs.

18 (2) CRITERIA.—Not later than 180 days after
19 the date of enactment of this Act, the Secretary
20 shall provide common measurement criteria, devel-
21 oped with input from home performance industry
22 stakeholders, to ensure comparability among pro-
23 grams but allow flexibility in program design.

24 (b) GRANTS.—In carrying out the pilot program es-
25 tablished under this section, the Secretary shall provide,

1 on a competitive basis, grants to not less than 5 State
2 energy offices.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—For fis-
4 cal year 2021, there are authorized to be appropriated to
5 carry out this section \$100,000,000.

6 (d) DEFINITION.—In this section, the term “State
7 energy office” means the office or agency of a State re-
8 sponsible for developing the State energy plan for the
9 State under section 362 of the Energy Policy and Con-
10 servation Act (42 U.S.C. 6322).

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