

AMENDMENT TO THE RULES COMMITTEE

PRINT 112-24

OFFERED BY MR. MCKINLEY OF WEST VIRGINIA

At the end of the bill, add the following new title:

1 **TITLE VIII—HOME ENERGY SAV-**
2 **INGS RETROFIT REBATE PRO-**
3 **GRAM**

4 **SEC. 801. SHORT TITLE.**

5 This title may be cited as the “Home Owner Man-
6 aging Energy Savings Act of 2012” or the “HOMES
7 Act”.

8 **SEC. 802. DEFINITIONS.**

9 In this title:

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

12 (2) CERTIFIED WORKFORCE.—The term “cer-
13 tified workforce” means a residential energy effi-
14 ciency construction workforce in which all auditors,
15 installers, crew leaders, and quality assurance in-
16 spectors performing work relating to retrofit activi-
17 ties with respect to which rebates are sought under
18 this title are certified—

1 (A) by a certifying body recognized by the
2 National Renewal Energy Laboratory’s Guide-
3 lines for Home Energy Professionals program;
4 or

5 (B) under—

6 (i) an applicable third party skills
7 standard established by—

8 (I) the BPI;

9 (II) RESNET Energy Smart
10 Home Performance Team;

11 (III) North American Technician
12 Excellence; or

13 (IV) the Laborers’ International
14 Union of North America; or

15 (ii) other standards approved by the
16 Secretary, in consultation with the Sec-
17 retary of Labor.

18 (3) **ELECTRIC UTILITY.**—The term “electric
19 utility” means any company, person, cooperative,
20 State, or Indian tribe agency that delivers or sells
21 electric energy at retail, including nonregulated utili-
22 ties, utilities that are subject to State or Indian tribe
23 rate regulation, and Federal power marketing ad-
24 ministrations.

1 (4) FEDERAL REBATE PROCESSING SYSTEM.—
2 The term “Federal Rebate Processing System”
3 means the Federal Rebate Processing System estab-
4 lished under section 803(b).

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

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

9 (B) was constructed before the date of en-
10 actment of this Act.

11 (6) HOME ENERGY SAVINGS RETROFIT REBATE
12 PROGRAM.—The term “Home Energy Savings Ret-
13 rofit Rebate Program” means the Home Energy
14 Savings Retrofit Rebate Program established under
15 section 803(a).

16 (7) HOMEOWNER.—The term “homeowner”
17 means the owner of an owner-occupied home or a
18 tenant-occupied home.

19 (8) INDIAN TRIBE.—The term “Indian tribe”
20 has the meaning given the term in section 4 of the
21 Indian Self-Determination and Education Assistance
22 Act (25 U.S.C. 450b).

23 (9) NATURAL GAS UTILITY.—The term “nat-
24 ural gas utility” means any company, person, coop-
25 erative, State or local governmental agency or in-

1 strumentality, or Indian tribe that transports, dis-
2 tributes, or sells natural gas at retail.

3 (10) QUALIFIED CONTRACTOR.—The term
4 “qualified contractor” means a residential energy ef-
5 ficiency contractor that meets minimum applicable
6 requirements established under section 804.

7 (11) QUALIFIED HOME ENERGY EFFICIENCY
8 RETROFIT.—The term “qualified home energy effi-
9 ciency retrofit” means a retrofit described in section
10 808(d).

11 (12) QUALITY ASSURANCE PROGRAM.—

12 (A) IN GENERAL.—The term “quality as-
13 surance program” means a program established
14 under this title, or recognized by the Secretary
15 under this title, to oversee the delivery of home
16 efficiency retrofit programs to ensure that work
17 is performed in accordance with standards and
18 criteria established under this title.

19 (B) INCLUSIONS.—For purposes of sub-
20 paragraph (A), delivery of retrofit programs in-
21 cludes delivery of quality assurance reviews of
22 rebate applications and field inspections.

23 (13) QUALITY ASSURANCE PROVIDER.—The
24 term “quality assurance provider” means any entity

1 that meets the minimum applicable requirements es-
2 tablished under section 806(b).

3 (14) REBATE AGGREGATOR.—The term “rebate
4 aggregator” means an entity that meets the require-
5 ments of section 805.

6 (15) RESNET.—The term “RESNET” means
7 the Residential Energy Services Network, which is a
8 nonprofit certification and standard setting organi-
9 zation for home energy raters that evaluate the en-
10 ergy performance of a home and Energy Smart Con-
11 tractors that make energy improvements to the
12 home.

13 (16) SECRETARY.—The term “Secretary”
14 means the Secretary of Energy.

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

16 (A) a State;

17 (B) the District of Columbia;

18 (C) the Commonwealth of Puerto Rico;

19 (D) Guam;

20 (E) American Samoa;

21 (F) the Commonwealth of the Northern
22 Mariana Islands;

23 (G) the United States Virgin Islands; and

24 (H) any other territory or possession of the
25 United States.

1 **SEC. 803. HOME ENERGY SAVINGS RETROFIT REBATE PRO-**
2 **GRAM.**

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

5 (b) FEDERAL REBATE PROCESSING SYSTEM.—

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

10 (A) establish a Federal Rebate Processing
11 System which shall serve as a database and in-
12 formation technology system that will allow re-
13bate aggregators to submit claims for reim-
14bursement using standard data protocols;

15 (B) establish a national retrofit Web site
16 that provides information on the Home Energy
17 Savings Retrofit Rebate Program, including—

18 (i) how to determine whether par-
19 ticular efficiency measures are eligible for
20 rebates; and

21 (ii) how to participate in the program;
22 and

23 (C) make available, on a designated Web
24 site, model forms for demonstrating compliance
25 with all applicable requirements of this title,
26 which shall be required to be submitted by—

1 (i) each qualified contractor on com-
2 pletion of an eligible home energy retrofit;
3 and

4 (ii) each quality assurance provider on
5 completion of field verification.

6 (2) MODEL FORMS.—In carrying out paragraph
7 (1)(C), the Secretary shall consider the model forms
8 developed by the National Home Performance Coun-
9 cil, Inc. If the Secretary does not adopt these forms,
10 the Secretary shall convene a group of stakeholders,
11 including the National Home Performance Council,
12 Inc., to develop the final forms.

13 **SEC. 804. CONTRACTORS.**

14 (a) CONTRACTOR QUALIFICATIONS.—A contractor
15 may perform retrofit work under the Home Energy Sav-
16 ings Retrofit Rebate Program in a State for which rebates
17 are provided under this title only if the contractor—

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

20 (2) is—

21 (A) accredited by the BPI or a preexisting
22 BPI accreditation-based State certification pro-
23 gram with enhancements to achieve State en-
24 ergy policy;

1 (B) a RESNET accredited Energy Smart
2 Home Performance Team; or

3 (C) accredited by an equivalent certifi-
4 cation program approved by the Secretary for
5 this purpose;

6 (3) holds insurance coverage of at least
7 \$1,000,000 for general liability, and for such other
8 purposes and in such other amounts as required by
9 the State;

10 (4) provides warranties to the homeowner that
11 completed work will—

12 (A) be free of significant defects;

13 (B) be installed in accordance with the
14 specifications of the manufacturer, and all ap-
15 plicable State and local building and mechanical
16 codes;

17 (C) perform properly for a period of at
18 least 1 year after the date of completion of the
19 work; and

20 (D) warrant such other actions or results
21 as determined appropriate by the Secretary;
22 and

23 (5) hires and retains a certified workforce for
24 projects performed under this title.

1 (b) AGREEMENT BETWEEN CONTRACTOR AND HOME
2 OWNER.—A contractor who performs retrofit work under
3 the Home Energy Savings Retrofit Rebate Program must
4 sign a written contract with the homeowner that in-
5 cludes—

6 (1) an agreement to not increase the cost of the
7 home improvement as a result of the rebates re-
8 ceived under this title with respect to the home; and

9 (2) if the contractor and homeowner choose the
10 transferable rebate option authorized under section
11 807, an agreement to provide the homeowner, before
12 a contract is executed between the contractor and
13 the homeowner covering the eligible work, a notice of
14 the rebate amount the contractor intends to apply
15 for with respect to eligible work under this title.

16 **SEC. 805. REBATE AGGREGATORS.**

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

21 (1) reviewing the proposed rebate application
22 for completeness and accuracy;

23 (2) reviewing measures for eligibility in accord-
24 ance with this title;

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

4 (4) as soon as practicable but not later than 30
5 days after the date of receipt, distributing funds re-
6 ceived from the Department of Energy to home-
7 owners or contractors.

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 pro-
12 gram sponsor;

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) a residential energy efficiency retrofit
19 program; and

20 (B) a quality assurance provider network;

21 or

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

1 the Home Energy Savings Retrofit Rebate Program,
2 including demonstration of—

3 (A) the capability to provide electronic
4 data to the Federal Rebate Processing System;

5 (B) a financial system that is capable of
6 tracking the distribution of rebates to partici-
7 pating contractors; and

8 (C) coordination and cooperation by the
9 entity with the appropriate State energy office
10 regarding participation in the existing energy
11 efficiency programs that will be delivering the
12 Home Energy Savings Retrofit Rebate Pro-
13 gram.

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

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

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

1 **SEC. 806. QUALITY ASSURANCE PROVIDERS.**

2 (a) **QUALIFICATIONS.**—An entity shall be considered
3 a quality assurance provider under this title only if the
4 entity is qualified through—

5 (1) the BPI;

6 (2) RESNET; or

7 (3) any other entity designated by the Secretary
8 such as a State or State-approved residential energy
9 efficiency retrofit program.

10 (b) **FUNCTIONS.**—A quality assurance provider
11 shall—

12 (1) be independent of the contractor;

13 (2) confirm that contractors or installers of
14 home energy efficiency retrofits meet the qualifica-
15 tion requirements of this title according to the
16 standard work specification guidelines established by
17 the National Renewable Energy Laboratory of the
18 Department of Energy; and

19 (3) perform field inspections and other meas-
20 ures required to confirm the compliance of the ret-
21 rofit work and the simulated energy savings under
22 the Home Energy Savings Retrofit Rebate Program,
23 based on the requirements of this title.

1 **SEC. 807. TRANSFERABILITY OF HOME ENERGY SAVINGS**
2 **REBATE.**

3 A homeowner may transfer the rebate provided under
4 the Home Energy Savings Retrofit Rebate Program to the
5 contractor performing the retrofit work if the contractor
6 completes a form that accompanies the rebate form devel-
7 oped under section 803(b). This form, to be made pub-
8 lically available by the Secretary 90 days after the date
9 of enactment of this Act, must be signed by the home-
10 owner and include—

11 (1) the amount of the rebate the contractor will
12 submit for disbursement to the contractor;

13 (2) the level of energy use reduction of the
14 home retrofit certified under section 808(e)(4), and
15 assurance that the contractor will provide the certifi-
16 cate to the homeowner within 30 days of receipt
17 from the Department of Energy;

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

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

1 **SEC. 808. 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 January 1,
5 2013, by a qualified contractor in accordance with this
6 section, rebates shall be awarded for retrofits that achieve
7 home energy savings in accordance with this title.

8 (b) AMOUNT OF REBATES.—

9 (1) IN GENERAL.—Subject to subsection (e),
10 the amount of a rebate provided to the owner of a
11 home or a designee of the owner under this section
12 shall be—

13 (A) \$2,000 for a 20–24 percent reduction
14 in home energy use;

15 (B) \$3,000 for a 25–29 percent reduction
16 in home energy use;

17 (C) \$4,000 for a 30–34 percent reduction
18 in home energy use;

19 (D) \$5,000 for a 35–39 percent reduction
20 in home energy use;

21 (E) \$6,000 for a 40–44 percent reduction
22 in home energy use;

23 (F) \$7,000 for a 45–49 percent reduction
24 in home energy use; and

25 (G) \$8,000 for a 50 percent or more re-
26 duction in home energy use.

1 (2) REBATE PAYMENT.—

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

5 (i) submission of the required rebate
6 forms; and

7 (ii) the completion of any quality as-
8 surance assessment required under sub-
9 paragraph (B).

10 (B) QUALITY ASSURANCE ASSESSMENTS.—

11 The Secretary shall establish a schedule of re-
12 quired quality assurance assessments. In the
13 first year of the program, all homes shall be re-
14 quired to have a quality assurance assessment.
15 The Secretary shall establish a cost effective
16 schedule of required quality assurance assess-
17 ments for subsequent years based on perform-
18 ance under the program.

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

21 (A) \$10,000 with respect to any individual;

22 or

23 (B) 50 percent of the qualified home en-
24 ergy efficiency expenditures paid or incurred by
25 the homeowner under subsection (e).

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

4 (1) means any amount paid or incurred by a
5 homeowner for a qualified home energy efficiency
6 retrofit, including the cost of diagnostic procedures,
7 labor, and modeling; and

8 (2) does not include—

9 (A) improvements to swimming pools or
10 hot tubs; or

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

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

16 (ii) in the case of woodstoves, is cer-
17 tified by the Environmental Protection
18 Agency;

19 (iii) in the case of a wood stove re-
20 placement, replaces an existing wood stove
21 with a stove that is certified by the Envi-
22 ronmental Protection Agency, if a voucher
23 is provided by the installer or other respon-
24 sible party certifying that the old stove has
25 been removed and made inoperable;

1 (iv) in the case of a furnace or boiler,
2 is in a home with a distribution system
3 (such as piping, ducts, vents, blowers, or
4 affixed fans) that allows heat from the fur-
5 nace or boiler to reach all or most parts of
6 the home; and

7 (v) is certified by an independent test
8 laboratory approved by the Secretary as
9 having—

10 (I) thermal efficiency (with a
11 high heating value) of at least 75 per-
12 cent for stoves and 80 percent for fur-
13 naces and boilers;

14 (II) particulate emissions of less
15 than 3.0 grams per hour for wood
16 stoves or pellet stoves; and

17 (III) less than 0.07 lbs per mil-
18 lion BTU for outdoor boilers and fur-
19 naces.

20 (d) QUALIFIED HOME ENERGY EFFICIENCY RET-
21 ROFIT.—

22 (1) IN GENERAL.—A qualified home energy ef-
23 ficiency retrofit is a retrofit that implements meas-
24 ures, during a rebate-eligible year in the existing
25 principal residence of the homeowner which is lo-

1 cated in the United States, intended to reduce the
2 energy use of such residence. A qualified home en-
3 ergy efficiency retrofit shall—

4 (A) be implemented and installed by a
5 qualified contractor;

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

11 (C) establish the baseline energy use as
12 provided in subsection (e)(1)(C);

13 (D) implement a test-out procedure, fol-
14 lowing guidelines of the applicable accrediting
15 program described in section 804(a)(2) (A),
16 (B), or (C), or equivalent guidelines approved
17 by the Secretary for this purpose, to ensure—

18 (i) the safe operation of all systems
19 post retrofit; and

20 (ii) that all improvements are included
21 in, and have been installed according to—

22 (I) standards of the applicable
23 accrediting program described in sec-
24 tion 804(a)(2) (A), (B), or (C);

1 (II) manufacturers installation
2 specifications; and

3 (III) all applicable State and
4 local building and mechanical codes or
5 equivalent standards approved by the
6 Secretary for this purpose;

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

10 (F) not include any amount which is paid
11 or incurred in connection with any expansion of
12 the building envelope of the residence; and

13 (G) not include improvements to swimming
14 pools or hot tubs or any other expenditure spe-
15 cifically excluded by the Secretary.

16 (2) APPROVED MODELING SOFTWARE.—The
17 contractor shall use modeling software certified by
18 RESNET as following the software verification test
19 suites in section 4.2.1 of RESNET Publication No.
20 06–001, or under equivalent standards approved by
21 the Secretary for this purpose, and shall have the
22 ability at a minimum to assess the savings associ-
23 ated with all the measures for Home Energy Savings
24 Retrofit Rebate Program.

25 (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 costs for heating, cool-
7 ing, hot water, and permanent lighting. It shall
8 be modeled using computer modeling software
9 approved under subsection (d)(2) and calibrated
10 according to subparagraph (C) of this para-
11 graph.

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 BPI Standard BPI-2400-S-2011:

1 Standardized Qualification of Whole House En-
2 ergy Savings Estimates, or an equivalent stand-
3 ard approved by the Secretary for this purpose.

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

8 (3) MONITORING.—The Secretary—

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

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

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

18 (4) CERTIFICATE OF RETROFIT PERFORM-
19 ANCE.—The Secretary shall establish a system for
20 distribution of a certificate of performance with the
21 issuance of a rebate that certifies the level of energy
22 use reduction achieved by the retrofit. The certifi-
23 cate will be provided to the rebate recipient. If the
24 recipient is the contractor under the terms of section
25 807, the contractor shall remit the certificate to the

1 homeowner, to be postmarked not later than 30 days
2 after the contractor's receipt of the certificate.

3 (5) EXCEPTION.—The Secretary shall not uti-
4 lize the authority provided under this title to—

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

8 (B) require the public disclosure of an en-
9 ergy performance evaluation or rating developed
10 for any specific home.

11 Nothing in this paragraph shall preclude the com-
12 putation, collection, or use, by the Secretary, rebate
13 aggregators, or quality assurance providers, or the
14 States or Indian tribes, for the purposes of gath-
15 ering information on the rating and comparison of
16 the energy performance of homes with and without
17 energy efficiency retrofits.

18 (f) QUALIFICATION FOR REBATE.—On submission of
19 a claim for a retrofit rebate by a rebate aggregator to the
20 system established under section 805, the Secretary shall
21 provide reimbursement to the rebate aggregator, if—

22 (1) the retrofit is a qualified home energy effi-
23 ciency retrofit;

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

1 (3) documentation required to verify the claim
2 is transmitted with the claim; and

3 (4) any quality assurance assessment required
4 under subsection (b)(2)(B) has been completed.

5 (g) HOMEOWNER COMPLAINTS.—

6 (1) IN GENERAL.—A homeowner may make a
7 complaint under the quality assurance program dur-
8 ing the 1-year warranty period that compliance with
9 the quality assurance requirements of this section
10 has not been achieved.

11 (2) VERIFICATION.—

12 (A) IN GENERAL.—The quality assurance
13 program shall provide that, on receiving a com-
14 plaint under paragraph (1), an independent
15 quality assurance provider shall conduct field
16 verification on the retrofit work performed by
17 the contractor.

18 (B) ADMINISTRATION.—A verification
19 under this paragraph shall be corrected in ac-
20 cordance with subsection (f)(4).

21 (h) AUDITS.—

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

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

5 (A) recoup the amount of the incorrect
6 payment; or

7 (B) withhold the amount of the incorrect
8 payment from the next payment made to the
9 party pursuant to a subsequent request.

10 (i) INCENTIVES.—The amount of incentives that the
11 Secretary may provide to quality assurance providers and
12 rebate aggregators under this title shall be—

13 (1) \$25 for each rebate review and submission
14 provided under the program;

15 (2) \$250 for each field inspection conducted
16 under the program; or

17 (3) such other amounts as the Secretary con-
18 siders necessary to carry out the quality assurance
19 provisions of this title.

20 **SEC. 809. GRANTS TO STATES AND INDIAN TRIBES.**

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

24 (1) administrative costs;

25 (2) oversight of quality assurance plans;

1 (3) development of a quality assurance pro-
2 gram;

3 (4) establishment and delivery of financing pi-
4 lots in accordance with this title;

5 (5) coordination with existing residential ret-
6 rofit programs and infrastructure development to as-
7 sist deployment of the Home Energy Savings Ret-
8 rofit Rebate Program; and

9 (6) the costs of carrying out the responsibilities
10 of the State or Indian tribe under the Home Energy
11 Savings Retrofit Rebate Program.

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

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

20 (d) STATE ALLOTMENTS.—From the amounts made
21 available to carry out this section for each fiscal year re-
22 maining after the reservation required under subsection
23 (c), the Secretary shall make grants available to States
24 in accordance with section 815.

25 (e) QUALITY ASSURANCE PROGRAMS.—

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

4 (A) operated as part of a State energy con-
5 servation plan established under part D of title
6 III of the Energy Policy and Conservation Act
7 (42 U.S.C. 6321 et seq.);

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

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

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

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

21 (2) NONCOMPLIANCE.—If the Secretary deter-
22 mines that a State or Indian tribe has not provided
23 or cannot provide adequate oversight over a quality
24 assurance program to ensure compliance with this
25 title, the Secretary may—

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

3 (B) require that quality assurance pro-
4 viders operating in the State or by the Indian
5 tribe be overseen by a national quality assur-
6 ance program manager selected by the Sec-
7 retary.

8 (f) IMPLEMENTATION.—A State or Indian tribe that
9 receives a grant under this section may implement a qual-
10 ity assurance program through the State, the Indian tribe,
11 or a third party designated by the State or Indian tribe,
12 including—

13 (1) an energy service company;

14 (2) an electric utility;

15 (3) a natural gas utility;

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

18 (5) a unit of local government.

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

23 (1) to assist in marketing a program;

24 (2) to facilitate consumer financing;

1 (3) to assist in implementation of the Home
2 Energy Savings Retrofit Rebate Program, including
3 installation of qualified home energy efficiency retro-
4 fits; and

5 (4) to assist in implementing quality assurance
6 programs.

7 (h) COORDINATION OF REBATE AND EXISTING
8 STATE-SPONSORED PROGRAMS.—

9 (1) IN GENERAL.—A State or Indian tribe
10 shall, to the maximum extent practicable, prevent
11 duplication through coordination of a program au-
12 thorized under this title with—

13 (A) the Energy Star appliance rebates pro-
14 gram authorized under the American Recovery
15 and Reinvestment Act of 2009 (Public Law
16 111–5; 123; Stat. 115); and

17 (B) comparable programs planned or oper-
18 ated by States, political subdivisions, electric
19 and natural gas utilities, Federal power mar-
20 keting administrations, and Indian tribes.

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

23 (A) give priority to—

24 (i) comprehensive retrofit programs in
25 existence on the date of enactment of this

1 Act, including programs under the super-
2 vision of State utility regulators; and

3 (ii) using funds made available under
4 this title to enhance and extend existing
5 programs; and

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

9 **SEC. 810. QUALITY ASSURANCE PROGRAM.**

10 (a) IN GENERAL.—As part of a grant application de-
11 scribed in section 809(b), a State or Indian tribe shall sub-
12 mit to the Secretary a plan to implement a quality assur-
13 ance program that covers all federally assisted residential
14 efficiency retrofit work administered, supervised, or spon-
15 sored by the State or Indian tribe.

16 (b) IMPLEMENTATION.—The State or Indian tribe
17 shall—

18 (1) develop a quality assurance program in con-
19 sultation with industry stakeholders, including rep-
20 resentatives of efficiency program managers, con-
21 tractors, and environmental, energy efficiency, and
22 labor organizations; and

23 (2) implement the quality assurance program
24 not later than 180 days after receipt of a grant
25 under section 809.

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

3 (1) maintenance of a list of qualified contrac-
4 tors authorized to perform such retrofit work as de-
5 scribed in section 804;

6 (2) targets and realistic plans for—

7 (A) the recruitment of small minority-
8 owned or women-owned business enterprises;
9 and

10 (B) the employment of graduates of train-
11 ing programs that primarily serve low-income
12 populations with a median income that is below
13 200 percent of the poverty line (as defined in
14 section 673(2) of the Community Services
15 Block Grant Act (42 U.S.C. 9902(2)), including
16 any revision required by that section) by par-
17 ticipating contractors; and

18 (3) a plan to link workforce training for home
19 energy efficiency retrofits with training for the
20 broader range of skills and occupations in construc-
21 tion or emerging clean energy industries.

22 (d) NONCOMPLIANCE.—If the Secretary determines
23 that a State or Indian tribe has not taken the steps re-
24 quired under this section, the Secretary shall provide to
25 the State or Indian tribe a period of at least 90 days to

1 comply before suspending the participation of the State
2 or Indian tribe in the program.

3 **SEC. 811. EVALUATION REPORT TO CONGRESS.**

4 (a) IN GENERAL.—Not later than 1 year after the
5 date of enactment of this Act and annually thereafter until
6 the termination of the program under this title, the Sec-
7 retary shall submit to the Committee on Energy and Nat-
8 ural Resources of the Senate and the Committee on En-
9 ergy and Commerce of the House of Representatives a re-
10 port on the use of funds under this title.

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

13 (1) how many eligible participants have partici-
14 pated in the program;

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

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

20 (4) the quantity of verifiable energy savings,
21 homeowner energy bill savings, and other benefits of
22 the program;

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

1 (6) any other information the Secretary con-
2 siders appropriate.

3 (c) NONCOMPLIANCE.—The Secretary shall require
4 rebate aggregators, States, and Indian tribes to provide
5 the information required to enable the Secretary to carry
6 out this section. If the Secretary determines that a rebate
7 aggregator, State, or Indian tribe has not provided such
8 information on a timely basis, the Secretary shall provide
9 to the rebate aggregator, State, or Indian tribe a period
10 of at least 90 days to provide any necessary information,
11 subject to withholding of funds or reduction of future
12 grant amounts, or decertification of rebate aggregators.

13 **SEC. 812. ADMINISTRATION.**

14 (a) IN GENERAL.—Subject to section 815(b), not
15 later than 30 days after the date of enactment of this Act,
16 the Secretary shall provide such administrative and tech-
17 nical support to rebate aggregators, States, and Indian
18 tribes as is necessary to carry out this title.

19 (b) APPOINTMENT OF PERSONNEL.—Notwith-
20 standing the provisions of title 5, United States Code, gov-
21 erning appointments in the competitive service and Gen-
22 eral Schedule classifications and pay rates, the Secretary
23 may appoint such professional and administrative per-
24 sonnel as the Secretary considers necessary to carry out
25 this title.

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

5 (d) CONSULTANTS.—Notwithstanding section 303 of
6 the Federal Property and Administrative Services Act of
7 1949 (41 U.S.C. 253), the Secretary may retain such con-
8 sultants on a noncompetitive basis as the Secretary con-
9 siders necessary to carry out this title.

10 (e) CONTRACTING.—In carrying out this title, the
11 Secretary may waive all or part of any provision of the
12 Competition in Contracting Act of 1984 (Public Law 98–
13 369; 98 Stat. 1175), an amendment made by that Act,
14 or the Federal Acquisition Regulation on a determination
15 that circumstances make compliance with the provisions
16 contrary to the public interest.

17 (f) INFORMATION COLLECTION.—Chapter 35 of title
18 44, United States Code, shall not apply to any information
19 collection requirement necessary for the implementation of
20 the Home Energy Savings Retrofit Rebate Program. The
21 Secretary shall establish, and make available to home-
22 owners seeking a rebate under this title, optional release
23 forms authorizing access by the Secretary, BPI, and
24 RESNET to information in the utility bills of the home-
25 owner.

1 **SEC. 813. TREATMENT OF REBATES.**

2 (a) IN GENERAL.—For purposes of the Internal Rev-
3 enue Code of 1986, rebates received for a qualified home
4 energy efficiency retrofit under this title—

5 (1) shall not be considered taxable income to a
6 homeowner; and

7 (2) shall prohibit the consumer from applying
8 for a tax credit allowed under section 25C or 25D
9 of that Code for the same retrofit work performed
10 in the home of the homeowner.

11 (b) NOTICE.—

12 (1) IN GENERAL.—A participating contractor
13 shall provide notice to a homeowner of the provisions
14 of subsection (a) before eligible work is performed in
15 the home of the homeowner.

16 (2) NOTICE IN REBATE FORM.—A homeowner
17 shall be notified of the provisions of subsection (a)
18 in the appropriate rebate form developed by the Sec-
19 retary, in consultation with the Secretary of the
20 Treasury.

21 **SEC. 814. PENALTIES.**

22 (a) IN GENERAL.—It shall be unlawful for any per-
23 son to violate this title (including any regulation issued
24 under this title), other than a violation as the result of
25 a clerical error.

1 (b) CIVIL PENALTY.—In addition to any penalty ap-
2 plicable under other Federal law for fraud or other crimes,
3 any person who commits a violation of this title shall be
4 liable to the United States for a civil penalty in an amount
5 that is not more than the higher of—

6 (1) \$15,000 for each violation; or

7 (2) 3 times the value of any associated rebate
8 under this title.

9 (c) ADMINISTRATION.—The Secretary may—

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

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

14 **SEC. 815. FUNDING.**

15 (a) AUTHORIZATION OF APPROPRIATIONS.—

16 (1) IN GENERAL.—There are authorized to be
17 appropriated to the Secretary to carry out this title
18 \$500,000,000 for each of fiscal years 2013 through
19 2016, to remain available until expended.

20 (2) MAINTENANCE OF FUNDING.—Funds pro-
21 vided under this section shall supplement and not
22 supplant any Federal and State funding provided to
23 carry out energy efficiency programs in existence on
24 the date of enactment of this Act.

25 (b) GRANTS TO STATES.—

1 (1) IN GENERAL.—Of the amounts provided
2 under subsection (a), not more than 6 percent shall
3 be used to carry out section 809.

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

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

21 (d) PROGRAM REVIEW AND BACKSTOP FUNDING.—

22 (1) IN GENERAL.—Not later than 180 days
23 after the date of enactment of this Act, the Sec-
24 retary shall perform a State-by-State analysis and

1 review the distribution of Home Energy Savings
2 Retrofit Rebates under this title.

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

7 (e) RETURN OF UNDISBURSED FUNDS.—If the Sec-
8 retary has not disbursed all the funds available for rebates
9 under the Home Energy Savings Retrofit Rebate Program
10 by September 30, 2017, any undisbursed funds shall be
11 returned to the Treasury.

