

[DISCUSSION DRAFT]

MARCH 9, 2010

111TH CONGRESS
2D SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

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:

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

4 (A) by the BPI; or

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

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

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

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

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

20 (i) BPI;

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

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

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

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

6 (A) intended for habitation; and

7 (B) intentionally heated or cooled.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (17) QUALITY ASSURANCE PROGRAM.—

7 (A) IN GENERAL.—The term “quality as-
8 surance program” means a program established
9 or recognized by the Secretary, in consultation
10 with the Administrator, under this Act to over-
11 see the delivery of home efficiency retrofit pro-
12 grams to ensure that work is performed in ac-
13 cordance with standards and criteria established
14 under this Act.

15 (B) INCLUSIONS.—For purposes of sub-
16 paragraph (A), delivery of retrofit programs in-
17 cludes delivery of quality assurance reviews of
18 rebate applications and field inspections, with
19 the consent of participating consumers and
20 without delaying rebate payments to partici-
21 pating contractors and vendors.

22 (18) QUALITY ASSURANCE PROVIDER.—

23 (A) IN GENERAL.—The term “quality as-
24 surance provider” means any entity that is au-
25 thorized pursuant to this Act to—

1 (i) ensure the competence and quali-
2 fications of contractors for or installers of
3 home energy efficiency retrofits; and

4 (ii) perform field inspections and
5 other measures required to confirm the
6 compliance of retrofit work with the re-
7 quirements of this Act.

8 (B) CERTIFICATION REQUIREMENT.—To
9 be considered a quality assurance provider
10 under this paragraph, an entity shall be cer-
11 tified through—

12 (i) the International Code Council;

13 (ii) the BPI;

14 (iii) the RESNET;

15 (iv) a State;

16 (v) a State-approved residential en-
17 ergy efficiency retrofit program; or

18 (vi) any other entity designated for
19 such purpose by the Secretary, in consulta-
20 tion with the Administrator.

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

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

1 (21) SECRETARY.—The term “Secretary”
2 means the Secretary of Energy.

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

7 (23) STATE.—The term “State” means—

8 (A) a State;

9 (B) the District of Columbia;

10 (C) the Commonwealth of Puerto Rico;

11 (D) Guam;

12 (E) American Samoa;

13 (F) the United States Virgin Islands;

14 (G) the Northern Mariana Islands; and

15 (H) any other commonwealth, territory, or
16 possession of the United States.

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

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

20 (b) FEDERAL REBATE PROCESSING SYSTEM.—

21 (1) IN GENERAL.—Not later than 30 days after
22 the date of enactment of this Act, the Secretary, in
23 consultation with the Secretary of the Treasury and
24 the Administrator, shall—

1 (A) establish a Federal Rebate Processing
2 System which shall serve as a database and in-
3 formation technology system to allow rebate
4 aggregators to submit claims for reimbursement
5 using standard data protocols;

6 (B) establish a national retrofit website
7 that provides information on the Home Star
8 Retrofit Rebate Program, including how to de-
9 termine whether particular energy efficiency
10 measures are eligible for rebate and how to par-
11 ticipate in the program; and

12 (C) publish model forms and data proto-
13 cols for use by contractors, vendors, and quality
14 assurance providers to comply with the require-
15 ments of this Act.

16 (2) MODEL CERTIFICATION FORMS.—In car-
17 rying out this section, the Secretary shall consider
18 the model certification forms developed by the Na-
19 tional Home Performance Council.

20 (c) IDENTIFICATION BY SECRETARY.—The Sec-
21 retary, after consulting with the States, shall identify
22 those States that have indicated under subsection (j) that
23 they are prepared to carry out the Home Star Retrofit
24 Rebate Program in accordance with this Act.

1 (d) QUALIFIED CONTRACTOR REQUIREMENTS.—A
2 qualified contractor may perform retrofit work for which
3 rebates are authorized under this Act only if it meets State
4 contractor requirements and other requirements, as deter-
5 mined by the Secretary, in consultation with the Adminis-
6 trator, including—

7 (1) any applicable State contractor licensing re-
8 quirements;

9 (2) insurance coverage of at least \$1,000,000
10 for general liability, and for such other purposes and
11 in such other amounts as may be required by the
12 State;

13 (3) agreeing to provide warranties to home-
14 owners that completed work will—

15 (A) be free of significant defects;

16 (B) be installed in accordance with the
17 specifications of the manufacturer; and

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

21 (4) agreeing to pass through to the owner of a
22 home, through a discount, the full economic value of
23 all rebates received under this Act with respect to
24 the home; and

1 (5) agreeing to provide to the homeowner a no-
2 tice of—

3 (A) the amount of the rebate the con-
4 tractor intends to apply for with respect to the
5 eligible work under this Act, before a contract
6 is executed between the contractor and a home-
7 owner covering the eligible work; and

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

10 (e) ADMINISTRATIVE AND TECHNICAL SUPPORT.—

11 Subject to section 13(b) and (c), beginning not later than
12 30 days after the date of enactment of this Act, the Sec-
13 retary shall provide such administrative and technical sup-
14 port to rebate aggregators and States as is necessary to
15 carry out this Act.

16 (f) ADMINISTRATION.—

17 (1) APPOINTMENT OF PERSONNEL.—Notwith-
18 standing the provisions of title 5, United States
19 Code, governing appointments in the competitive
20 service and General Schedule classifications and pay
21 rates, the Secretary may appoint such professional
22 and administrative personnel as the Secretary con-
23 siders necessary to carry out this Act.

24 (2) RATE OF PAY.—The rate of pay for a per-
25 son appointed under paragraph (1) shall not exceed

1 the maximum rate payable for GS-15 of the General
2 Schedule under chapter 53 of title 5, United States
3 Code.

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

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

18 (5) REGULATIONS.—

19 (A) IN GENERAL.—Notwithstanding sec-
20 tion 553 of title 5, United States Code, the Sec-
21 retary may issue regulations that the Secretary,
22 in the sole discretion of the Secretary, deter-
23 mines necessary to—

24 (i) establish;

1 (ii) achieve full operational status
2 within 60 days after the date of enactment
3 of this Act for; or

4 (iii) carry out,
5 the Home Star Retrofit Rebate Program.

6 (B) TIMING.—If the Secretary determines
7 that regulations described in subparagraph (A)
8 are necessary, the regulations shall be issued
9 not later than 60 days after such determina-
10 tion.

11 (6) INFORMATION COLLECTION.—Chapter 35 of
12 title 44, United States Code, shall not apply to any
13 information collection requirement necessary for the
14 implementation of the Home Star Retrofit Rebate
15 Program.

16 (7) EFFECTIVE PERIOD.—Paragraphs (1), (3),
17 (4), (5), and (6) shall be effective only for fiscal
18 years 2010 and 2011.

19 (g) PROGRAM REVIEW.—Not later than 180 days
20 after the date of enactment of this Act, the Secretary shall
21 prepare and transmit to Congress a State-by-State anal-
22 ysis and review the distribution of Home Star retrofit re-
23 bates under this Act.

24 (h) ADJUSTMENT OF REBATE AMOUNTS.—Effective
25 beginning on the date that is 180 days after the date of

1 enactment of this Act, the Secretary may, after not less
2 than 30 days public notice, prospectively adjust the rebate
3 amounts provided for under this Act as necessary to opti-
4 mize the overall energy efficiency resulting from the Silver
5 Star Home Energy Retrofit Program and the Gold Star
6 Home Energy Retrofit Program.

7 (i) INDIAN TRIBE PARTICIPATION.—

8 (1) IN GENERAL.—An Indian tribe, within 30
9 days after the date of enactment of this Act, may in-
10 dicate to the Secretary its intention to act in place
11 of a State for purposes of carrying out the respon-
12 sibilities of the State under this Act with respect to
13 its tribal lands. If the Indian tribe so indicates, the
14 Secretary shall treat the Indian tribe as the State
15 for purposes of carrying out this Act with respect to
16 those tribal lands.

17 (2) TRANSITION OF RESPONSIBILITIES.—The
18 Secretary may permit an Indian tribe, after the expi-
19 ration of 30 days after the date of enactment of this
20 Act, to assume the responsibilities of a State under
21 this Act with respect to its tribal lands if the Sec-
22 retary finds that such assumption of responsibilities
23 will not disrupt the ongoing administration of the
24 program under this Act.

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

5 (j) IMPLEMENTATION BY SECRETARY.—

6 (1) IN GENERAL.—If a State has not indicated
7 to the Secretary within 30 days after the date of en-
8 actment of this Act that it is prepared to carry out
9 this Act, or if at any later time the Secretary deter-
10 mines that a State is no longer prepared to carry
11 out this Act, to the extent that no Indian tribe as-
12 sumes such responsibilities under subsection (i) the
13 Secretary shall assume the responsibilities of that
14 State with respect to carrying out this Act.

15 (2) TRANSITION OF RESPONSIBILITIES.—The
16 Secretary may permit a State, after the Secretary
17 has assumed the responsibilities of that State under
18 paragraph (1), to assume the responsibilities as-
19 signed to States under this Act with respect to that
20 State if the Secretary finds that such assumption of
21 responsibilities will not disrupt the ongoing adminis-
22 tration of the program under this Act.

23 (k) LIMITATION.—Rebates may not be provided
24 under both section 5 and section 6 with respect to the
25 same home.

1 (l) FORMS FOR CERTIFICATION AND QUALITY AS-
2 SURANCE.—

3 (1) IN GENERAL.—Not later than 30 days after
4 the date of enactment of this Act, the Secretary
5 shall make available on the website established
6 under subsection (b)(1)(B), model certification
7 forms for compliance with quality assurance require-
8 ments under this Act, to be submitted by—

9 (A) each qualified contractor, accredited
10 contractor, and quality assurance provider on
11 completion of an eligible home energy retrofit;
12 and

13 (B) each quality assurance provider on
14 completion of field verification required under
15 this section.

16 (2) NATIONAL HOME PERFORMANCE COUN-
17 CIL.—The Secretary, States, and Indian tribes shall
18 consider and may use model certification forms de-
19 veloped by the National Home Performance Council
20 to ensure compliance with quality assurance require-
21 ments under this Act.

22 (m) PUBLIC-PRIVATE PARTNERSHIPS.—A State that
23 receives a grant under this Act is encouraged to form part-
24 nerships with utilities, energy service companies, and other
25 entities—

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

3 (2) to facilitate consumer financing;

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

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

10 (n) COORDINATION OF REBATE AND EXISTING
11 STATE-SPONSORED PROGRAMS.—

12 (1) IN GENERAL.—A State shall, to the max-
13 imum extent practicable, prevent duplication through
14 coordination of a program authorized under this Act
15 with—

16 (A) the Energy Star appliance rebates pro-
17 gram authorized under section 124 of the En-
18 ergy Policy Act of 2005 (42 U.S.C. 15821),
19 and any other Federal programs that provide
20 funds to States for home or appliance energy
21 efficiency purposes; and

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

1 (2) EXISTING PROGRAMS.—In carrying out this
2 subsection, a State 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 funds made available under
9 this Act to enhance and extend existing
10 programs; and

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

14 **SEC. 4. REBATE AGGREGATORS.**

15 (a) IN GENERAL.—The Secretary shall develop a net-
16 work of rebate aggregators that can facilitate the delivery
17 of rebates to participating contractors and vendors, to re-
18 imburse those contractors and vendors for discounts pro-
19 vided to homeowners for energy efficiency retrofit work.
20 Rebate aggregators shall—

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

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

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

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

10 (5) review contractor qualifications and accredi-
11 tation and retain documentation of such qualifica-
12 tion and accreditation, as required for contractors to
13 be authorized to perform residential energy effi-
14 ciency retrofit work under this Act; and

15 (6) maintain information regarding contractors'
16 fulfillment of the requirements of section 3(d).

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

19 (1) shall be—

20 (A) a Home Performance with Energy
21 Star partner;

22 (B) an entity administering a residential
23 energy efficiency retrofit program established or
24 approved by a State;

1 (C) a Federal power marketing administra-
2 tion;

3 (D) an electric utility or a natural gas util-
4 ity administering or offering a residential en-
5 ergy efficiency retrofit program; or

6 (E) an entity whose participation in the
7 program, in the judgment of the Secretary,
8 would not disrupt existing residential retrofit
9 programs in the States that are carrying out
10 the Home Star Retrofit Rebate Program under
11 this Act, including demonstration of—

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

14 (ii) adequate financial capability to
15 manage a rebate aggregator program, as
16 evidenced by audited financial records; and

17 (2) must be able to demonstrate—

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

22 (B) the capability to provide such elec-
23 tronic data as is required by the Secretary to
24 the Federal Rebate Processing System; and

1 (C) a financial system that is capable of
2 tracking the distribution of rebates to partici-
3 pating contractors and vendors.

4 (c) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
5 GETS.—The Secretary shall—

6 (1) develop guidelines for States to use to allow
7 utilities participating as rebate aggregators to count
8 the energy savings from their participation toward
9 State-level energy savings targets; and

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

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

14 (a) IN GENERAL.—A Silver Star Home Energy Ret-
15 rofit Program rebate shall be awarded, subject to the max-
16 imum amount limitations under subsection (d)(4), to par-
17 ticipating contractors and vendors, to reimburse them for
18 discounts provided to the owner of the home for the ret-
19 rofit work, for the installation of energy savings meas-
20 ures—

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

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

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

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

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

9 (2) Attic insulation measures that—

10 (A) include sealing of air leakage between
11 the attic and the conditioned space, in accord-
12 ance with BPI standards or the attic portions
13 of the DOE or EPA thermal bypass checklist or
14 other procedures approved by the Secretary;

15 (B) add at least R-19 insulation to exist-
16 ing insulation;

17 (C) result in at least R-38 insulation in
18 DOE climate zones 1 through 4 and at least R-
19 49 insulation in DOE climate zones 5 through
20 8, including existing insulation, within the lim-
21 its of structural capacity; and

22 (D) cover at least—

23 (i) 100 percent of an accessible attic;

24 or

1 (ii) 75 percent of a total conditioned
2 space floor area.

3 (3) Duct seal or replacement that—

4 (A) is installed in accordance with BPI
5 standards or other procedures approved by the
6 Secretary; and

7 (B) in the case of duct replacement, re-
8 places at least 50 percent of a distribution sys-
9 tem of the home.

10 (4) Wall insulation that—

11 (A) is installed in accordance with BPI
12 standards or other procedures approved by the
13 Secretary;

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

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

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

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

23 (i) R-19 of cavity insulation or R-15
24 of continuous insulation to existing crawl
25 space insulation; or

1 (ii) R-13 of cavity insulation or R-10
2 of continuous insulation to basement walls;
3 and

4 (B) fully covers the rim joist with at least
5 R-10 of new continuous or R-13 of cavity insu-
6 lation.

7 (6) Window replacement that replaces at least
8 8 exterior windows or skylights, or 75 percent of the
9 exterior windows or skylights in a home, whichever
10 is less, with windows or skylights that—

11 (A) are certified by the National Fenestra-
12 tion Rating Council; and

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

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

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

21 (i) a natural gas or propane furnace with
22 a furnace that has an AFUE rating of 92 or
23 greater;

1 (ii) a natural gas or propane boiler with a
2 boiler that has an AFUE rating of 90 or great-
3 er;

4 (iii) an oil furnace with a furnace that has
5 an AFUE rating of 86 or greater and that uses
6 an electrically commutated blower motor;

7 (iv) an oil boiler with a boiler that has an
8 AFUE rating of 86 or greater and that has
9 temperature reset or thermal purge controls; or

10 (v) a wood or wood pellet furnace, boiler,
11 or stove, if—

12 (I) the new system—

13 (aa) meets at least 75 percent of
14 the heating demands of the home;

15 (bb) has a distribution system
16 (such as ducts or vents) that allows
17 heat to reach all or most parts of the
18 home; and

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

21 (II) an independent quality assurance
22 provider certifies that the new system—

23 (aa) has thermal efficiency (lower
24 heating value) of at least 75 percent

1 for stoves and 80 percent for furnaces
2 and boilers; and

3 (bb) has particulate emissions of
4 less than 4.5 grams per hour for
5 stoves.

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

11 (9) Air conditioner or heat pump replacement
12 with a new unit that—

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

15 (B) meets or exceeds—

16 (i) in the case of an air conditioner,
17 SEER 16 and EER 13; and

18 (ii) in the case of a heat pump, SEER
19 15, EER 12.5, and HSPF 8.5.

20 (10) Replacement of a natural gas, propane, or
21 electric water heater with—

22 (A) a natural gas or propane storage water
23 heater with an energy factor of 0.80 or more or
24 a thermal efficiency of 90 percent or more;

1 (B) a tankless natural gas or propane
2 water heater with an energy factor of at least
3 .82;

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

6 (D) an indirect water heater with an insu-
7 lated storage tank that—

8 (i) has a storage capacity of at least
9 30 gallons and is insulated to at least R-
10 16; and

11 (ii) is installed in conjunction with a
12 qualifying boiler described in paragraph
13 (8);

14 (E) an electric water heater with an energy
15 factor of 2.0 or more; or

16 (F) a solar hot water system that—

17 (i) is certified by the Solar Rating and
18 Certification Corporation; or

19 (ii) meets technical standards estab-
20 lished by the State of Hawaii.

21 (11) Storm windows that—

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

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

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

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

12 (d) AMOUNT OF REBATE.—

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

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

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

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

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

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

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

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

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

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

18 (A) \$3,000;

19 (B) 50 percent of the total cost of the in-
20 stalled measures; or

21 (C) if the Secretary finds that the net
22 value to the homeowner of the rebates, as a
23 function of the discount the contractor or ven-
24 dor provides to the homeowner for the installed

1 measures, is less than the amount of the re-
2 bates, the actual net value to the homeowner.

3 (e) VERIFICATION AND CORRECTION OF WORK.—

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

10 (2) VERIFICATION.—

11 (A) PERCENTAGE OF RETROFITS
12 VERIFIED.—

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

15 (I) 20 percent of the retrofits
16 performed by each qualified con-
17 tractor under this section shall be
18 randomly subject to field verification
19 by an independent quality assurance
20 provider of all work associated with
21 the retrofit; and

22 (II) in the case of a qualified
23 contractor that always uses a certified
24 workforce, 10 percent of the retrofits
25 performed by that contractor under

1 this section shall be randomly subject
2 to field verification by an independent
3 quality assurance provider of all work
4 associated with the retrofit.

5 (ii) EXCEPTION.—In the case of a
6 qualified contractor whose previous retrofit
7 work the Secretary or the State has found
8 to fail to comply with the requirements of
9 this section, the manager of the quality as-
10 surance program may establish a higher
11 percentage of the retrofits performed by
12 that contractor under this section to be
13 subject to field verification by an inde-
14 pendent quality assurance provider.

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

1 graph (A), and shall be corrected in accordance
2 with paragraph (3).

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

5 (A) The installed measures will comply
6 with the specifications and quality standards
7 under this section if a field verification by a
8 quality assurance provider finds that corrective
9 work is needed. Such compliance shall be
10 achieved by the installing accredited contractor
11 not later than 14 days after the date of notifi-
12 cation of a defect pursuant to a warranty, pro-
13 vided at no additional cost to the homeowner.

14 (B) A subsequent quality assurance visit
15 shall be conducted to evaluate the remedy not
16 later than 7 days after notification that the de-
17 fect has been corrected.

18 (C) The quality assurance provider shall
19 notify the contractor of the disposition of such
20 visit not later than 7 days after the date of the
21 visit.

22 (4) ACCESS TO HOME.—In order to be eligible
23 for a discount from a contractor or vendor for which
24 a rebate is provided under this section, a homeowner

1 shall agree to permit such access to the home as is
2 necessary to verify and correct retrofit work.

3 (f) REVIEW.—

4 (1) IN GENERAL.—The Secretary shall deter-
5 mine whether information submitted to the Federal
6 Rebate Processing System with respect to a rebate
7 was complete, and on the basis of that information
8 and other information available to the Secretary,
9 shall determine whether the requirements of this sec-
10 tion were met in all respects.

11 (2) INCORRECT PAYMENT.—On a determination
12 of the Secretary under paragraph (1) that a pay-
13 ment was made incorrectly to a party, or that suffi-
14 cient information was not submitted to the Federal
15 Rebate Processing System to enable such determina-
16 tion, the Secretary—

17 (A) may—

18 (i) recoup the amount of the incorrect
19 payment; or

20 (ii) withhold the amount of the incor-
21 rect payment from a payment made to the
22 party pursuant to a subsequent request;
23 and

24 (B) shall, to the extent the Secretary de-
25 termines the benefit of the rebate was not

1 passed through to the homeowner through a
2 discount on the price of the retrofit work, order
3 the contractor or vendor to pay the amount of
4 rebate benefit not previously passed through to
5 the homeowner.

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

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

15 (b) ENERGY SAVINGS.—

16 (1) IN GENERAL.—Reductions in whole home
17 energy consumption under this section shall be de-
18 termined by a comparison of the simulated energy
19 consumption of the home before and after the ret-
20 rofit of the home.

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

24 (A)(i) the use of a whole home simulation
25 software program that has been approved as a

1 commercial alternative under the Weatheriza-
2 tion Assistance Program for Low-Income Per-
3 sons established under part A of title IV of the
4 Energy Conservation and Production Act (42
5 U.S.C. 6861 et seq.); or

6 (ii) a equivalent performance test estab-
7 lished by the Secretary, in consultation with the
8 Administrator; or

9 (B)(i) the use of a whole home simulation
10 software program that has been approved under
11 RESNET Publication No. 06-001 (or a suc-
12 cessor publication approved by the Secretary);

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

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

18 (iv) a HERS rating system approved or re-
19 quired by the law of the State in which the
20 home is located.

21 (3) MONITORING.—The Secretary—

22 (A) shall continuously monitor the software
23 programs used for determining rebates under
24 this section; and

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

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

5 (A) establish simulation software program
6 assumptions for carrying out paragraph (2);

7 (B) require compliance with software pro-
8 gram performance tests covering—

9 (i) mechanical system performance;

10 (ii) duct distribution system efficiency;

11 (iii) hot water performance; or

12 (iv) other measures; and

13 (C) require the simulation of pre-retrofit
14 energy usage to be determined by metered pre-
15 retrofit energy usage.

16 (5) RECOMMENDED MEASURES.—Software pro-
17 grams used under this subsection shall have the abil-
18 ity at a minimum to assess the savings associated
19 with all the measures for which rebates are specifi-
20 cally provided under the Silver Star Home Energy
21 Retrofit Program.

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

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

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

5 (A) \$8,000; or

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

7 (d) VERIFICATION AND CORRECTION OF WORK.—

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

14 (2) VERIFICATION.—

15 (A) IN GENERAL.—Subject to subpara-
16 graph (B), all work conducted in a home as
17 part of a whole-home retrofit by an accredited
18 contractor under this section shall be subject to
19 random field verification by an independent
20 quality assurance provider at a rate of—

21 (i) 15 percent; or

22 (ii) in the case of work performed by
23 an accredited contractor always using a
24 certified workforce, 10 percent.

1 (B) VERIFICATION NOT REQUIRED.—A
2 home shall not be subject to field verification
3 under subparagraph (A) if—

4 (i) a post-retrofit home energy rating
5 is conducted by an entity that is an eligible
6 certifier in accordance with—

7 (I) RESNET Publication No.
8 06–001 (or a successor publication
9 approved by the Secretary);

10 (II) a State-certified equivalent
11 rating network, as specified in IRS
12 Notice 2008–35; or

13 (III) a HERS rating system re-
14 quired by the law of the State in
15 which the home is located;

16 (ii) the eligible certifier is independent
17 of the accredited contractor in accordance
18 with RESNET Publication No. 06–001 (or
19 a successor publication approved by the
20 Secretary); and

21 (iii) the rating includes field
22 verification of all measures for which re-
23 bates are being provided.

24 (C) HOMEOWNER COMPLAINT.—A home-
25 owner may make a complaint under the quality

1 assurance program that compliance with the
2 quality assurance requirements of this Act has
3 not been achieved. The quality assurance pro-
4 gram shall provide that, upon receiving such a
5 complaint, an independent quality assurance
6 provider shall conduct field verification on the
7 retrofit work performed by the contractor.
8 Verifications under this subparagraph shall be
9 in addition to those conducted under subpara-
10 graph (A), and shall be corrected in accordance
11 with paragraph (3).

12 (D) ACCESS TO HOME.—In order to be eli-
13 gible for a discount from a contractor or vendor
14 for which a rebate is provided under this sec-
15 tion, a homeowner shall agree to permit such
16 access to the home as is necessary to verify and
17 correct retrofit work.

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

20 (A) The installed measures will comply
21 with the specifications and quality standards
22 under this section if a field verification by an
23 independent quality assurance provider finds
24 that corrective work is needed. Such compliance
25 shall be achieved by the installing accredited

1 contractor not later than 14 days after the date
2 of notification of a defect pursuant to a war-
3 ranty, provided at no additional cost to the
4 homeowner.

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

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

13 (e) REVIEW.—

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

21 (2) INCORRECT PAYMENT.—On a determination
22 of the Secretary under paragraph (1) that a pay-
23 ment was made incorrectly to a party, or that suffi-
24 cient information was not submitted to the Federal

1 Rebate Processing System to enable such determina-
2 tion, the Secretary—

3 (A) may—

4 (i) recoup the amount of the incorrect
5 payment; or

6 (ii) withhold the amount of the incor-
7 rect payment from a payment made to the
8 party pursuant to a subsequent request;
9 and

10 (B) shall, to the extent the Secretary de-
11 termines the benefit of the rebate was not
12 passed through to the homeowner through a
13 discount on the price of the retrofit work, order
14 the contractor or vendor to pay the amount of
15 rebate benefit not previously passed through to
16 the homeowner.

17 **SEC. 7. QUALITY ASSURANCE.**

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

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

1 (2) IMPLEMENTATION.—The State shall—

2 (A) develop a quality assurance framework
3 in consultation with industry stakeholders, in-
4 cluding representatives of efficiency program
5 managers, contractors, and environmental, en-
6 ergy efficiency, and labor organizations; and

7 (B) implement the quality assurance
8 framework not later than 90 days after the plan
9 is submitted to the Secretary under paragraph
10 (1).

11 (3) COMPONENTS.—The quality assurance
12 framework established under this subsection shall in-
13 clude—

14 (A) maintenance of a list of such qualified
15 contractors and accredited contractors;

16 (B) minimum standards for such qualified
17 contractors or accredited contractors;

18 (C) requirements for maintenance and de-
19 livery to the Federal Rebate Processing System
20 of information needed to verify compliance and
21 ensure appropriate compensation for quality as-
22 surance providers;

23 (D) targets and realistic plans for—

24 (i) the recruitment of minority or
25 women-owned small business enterprises;

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

10 (E) a plan to link workforce training for
11 energy efficiency retrofits with training for the
12 broader range of skills and occupations in con-
13 struction or emerging clean energy industries.

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

20 (b) QUALITY ASSURANCE PROGRAMS.—

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

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

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

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

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

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

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

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

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

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

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

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

8 (A) an energy service company;

9 (B) an electric utility;

10 (C) a natural gas utility;

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

13 (E) a unit of local government.

14 **SEC. 8. REPORT.**

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

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

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

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

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

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

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

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

15 (7) the results of verification requirements; and

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

18 (c) REQUIRED INFORMATION.—

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

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

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

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

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

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

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

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

19 **SEC. 10. PUBLIC INFORMATION CAMPAIGN.**

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

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

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

6 **SEC. 11. PENALTIES.**

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

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

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

16 (2) 3 times the value of any associated rebate
17 under this Act.

18 (c) ADMINISTRATION.—The Secretary may—

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

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

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

24 (a) DEFINITIONS.—In this section:

1 (1) ELIGIBLE PARTICIPANT.—The term “eligi-
2 ble participant” means a homeowner who receives fi-
3 nancial assistance from a qualified financing entity
4 to carry out qualifying energy savings measures
5 under the Silver Star Home Energy Retrofit Pro-
6 gram or whole home energy savings under the Gold
7 Star Home Energy Retrofit Program.

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

14 (A) meets the eligibility requirements of
15 this section; and

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

18 (3) QUALIFIED LOAN PROGRAM MECHANISM.—
19 The term “qualified loan program mechanism”
20 means a mechanism for the establishment and oper-
21 ation of a loan program that is—

22 (A) administered by a qualified financing
23 entity; and

24 (B) principally funded—

1 (i) by funds provided by or overseen
2 by a State; or

3 (ii) through the energy loan program
4 of the Federal National Mortgage Associa-
5 tion.

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

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

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

22 (2) require all financed installations to be per-
23 formed by contractors in a manner that meets min-
24 imum standards provided under sections 5 and 6;
25 and

1 (3) establish standard underwriting criteria to
2 determine the eligibility of Home Star Loan Pro-
3 gram applicants, which criteria shall be consistent
4 with—

5 (A) with respect to unsecured consumer
6 loan programs, standard underwriting criteria
7 used under the energy loan program of the
8 Federal National Mortgage Association; or

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

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

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

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

3 (2) has established a qualified loan program
4 mechanism that—

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

8 (B) incorporates an effective repayment
9 mechanism, which may include—

10 (i) on-utility-bill repayment;

11 (ii) tax assessment or other form of
12 property assessment financing;

13 (iii) municipal service charges;

14 (iv) energy or energy efficiency serv-
15 ices contracts;

16 (v) energy efficiency power purchase
17 agreements;

18 (vi) unsecured loans applying the un-
19 derwriting requirements of the energy loan
20 program of the Federal National Mortgage
21 Association; or

22 (vii) alternative contractual repayment
23 mechanisms that have been demonstrated
24 to have appropriate risk mitigation fea-
25 tures; and

1 (3) will provide, in a timely manner, all infor-
2 mation regarding the administration of the Home
3 Star Loan Program as the Secretary may require to
4 permit the Secretary to meet the program evaluation
5 requirements of subsection (h).

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

10 (1) interest rate reductions to interest rates as
11 low as 0 percent;

12 (2) loan loss reserves or other forms of credit
13 enhancement;

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

16 (4) other debt instruments or financial products
17 necessary—

18 (A) to maximize leverage provided through
19 available funds; and

20 (B) to support widespread deployment of
21 energy efficiency finance programs.

22 (g) USE OF REPAID FUNDS.—In the case of a revol-
23 ving loan fund described in subsection (f)(3), a qualified
24 financing entity may use funds repaid by eligible partici-
25 pants under the Home Star Loan Program to provide fi-

1 nancial assistance for additional eligible participants for
2 installations described in subsection (b) in a manner that
3 is consistent with this section.

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

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

9 (2) how many jobs have been created through
10 the Home Star Loan Program, directly and indi-
11 rectly;

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

14 (4) the quantity of verifiable energy savings,
15 homeowner energy bill savings, and other benefits of
16 the Home Star Loan Program; and

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

21 **SEC. 13. FUNDING.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—

23 (1) IN GENERAL.—Subject to subsection (j),
24 there are authorized to be appropriated to carry out
25 this Act such sums as may be necessary for the pe-

1 riod of fiscal years 2010 and 2011, to remain avail-
2 able until expended.

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

12 (b) GRANTS TO STATES.—

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

18 (A) administrative costs of carrying out
19 this Act;

20 (B) development of quality assurance
21 frameworks;

22 (C) oversight of quality assurance pro-
23 grams;

1 (D) establishment and delivery of financing
2 mechanisms, in accordance with paragraph (2);
3 and

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

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

11 (3) DISTRIBUTION TO STATES.—

12 (A) PROVISION OF FUNDS.—Not later than
13 30 days after the date of enactment of this Act,
14 the Secretary shall provide to the State energy
15 offices, or such other State entities as are des-
16 ignated by the Governor, only of States identi-
17 fied by the Secretary under section 3(c), 25
18 percent of the funds described in paragraph (1).

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

1 (4) WITHHOLDING OF FUNDS.—To the extent
2 that the Secretary assumes the responsibilities of a
3 State under section 3(j), the Secretary shall with-
4 hold the portion of the funds otherwise transferrable
5 to the State under this section that are attributable
6 to those State responsibilities.

7 (5) INDIAN TRIBES.—

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

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

21 (c) QUALITY ASSURANCE COSTS.—

22 (1) IN GENERAL.—Of the amount provided
23 under subsection (a), not more than 5 percent are
24 authorized to be appropriated to the Secretary to be
25 used as provided in paragraph (2), in accordance

1 with information provided by the State offices or en-
2 tities described in subsection (b)(3)(B) with respect
3 to services provided by quality assurance providers.

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

10 (3) COMPENSATION.—The amount of com-
11 pensation provided to quality assurance providers or
12 rebate aggregators under this subsection shall be—

13 (A)(i) in the case of the Silver Star Home
14 Energy Retrofit Program—

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

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

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

21 (I) \$35 for each rebate review and
22 submission provided under the program;
23 and

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

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

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

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

20 (f) SILVER STAR HOME ENERGY RETROFIT PRO-
21 GRAM.—Of the amount provided under subsection (a),
22 after subtracting the amounts authorized in subsections
23 (b),(d) and (e) of this section, two-thirds of the remainder
24 for fiscal year 2010 are authorized to be appropriated to
25 the Secretary to be used to provide rebates and other pay-

1 ments authorized under the Silver Star Home Energy Ret-
2 rofit Program.

3 (g) GOLD STAR HOME ENERGY RETROFIT PRO-
4 GRAM.—Of the amount provided under subsection (a),
5 after subtracting the amounts authorized in subsections
6 (b),(d) and (e) of this section, one-third of the remainder
7 for fiscal year 2010 is authorized to be appropriated to
8 the Secretary to be used to provide rebates and other pay-
9 ments authorized under the Gold Star Home Energy Ret-
10 rofit Program.

11 (h) RETURN OF UNDISBURSED FUNDS.—

12 (1) SILVER STAR HOME ENERGY RETROFIT
13 PROGRAM.—If the Secretary has not disbursed all
14 the funds available for rebates under the Silver Star
15 Home Energy Retrofit Program by the date that is
16 1 year after the date of enactment of this Act, any
17 undisbursed funds shall be made available to the
18 Gold Star Home Energy Retrofit Program.

19 (2) GOLD STAR HOME ENERGY RETROFIT PRO-
20 GRAM.—If the Secretary has not disbursed all the
21 funds available for rebates under the Gold Star
22 Home Energy Retrofit Program by the date that is
23 2 years after the date of enactment of this Act, any
24 undisbursed funds shall be returned to the Treasury.