

[DISCUSSION DRAFT]

MARCH 17, 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 under section 3(c).

5 (17) QUALITY ASSURANCE PROGRAM.—

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

12 (B) INCLUSIONS.—For purposes of sub-
13 paragraph (A), delivery of retrofit programs in-
14 cludes delivery of quality assurance reviews of
15 rebate applications, and field inspections re-
16 quired under this Act, with the consent of par-
17 ticipating consumers and without delaying re-
18 bate payments to participating contractors and
19 vendors.

20 (18) QUALITY ASSURANCE PROVIDER.—

21 (A) IN GENERAL.—The term “quality as-
22 surance provider” means any entity that is au-
23 thorized pursuant to this Act to perform field
24 inspections and other measures required to con-

1 firm the compliance of retrofit work with the
2 requirements of this Act.

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

7 (i) the International Code Council;

8 (ii) the BPI;

9 (iii) the RESNET;

10 (iv) a State;

11 (v) a State-approved residential en-
12 ergy efficiency retrofit program; or

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

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

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

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

23 (22) SILVER STAR HOME ENERGY RETROFIT
24 PROGRAM.—The term “Silver Star Home Energy

1 Retrofit Program” means the Silver Star Home En-
2 ergy Retrofit Program established under section 5.

3 (23) STATE.—The term “State” means—

4 (A) a State;

5 (B) the District of Columbia;

6 (C) the Commonwealth of Puerto Rico;

7 (D) Guam;

8 (E) American Samoa;

9 (F) the United States Virgin Islands;

10 (G) the Northern Mariana Islands; and

11 (H) any other commonwealth, territory, or

12 possession of the United States.

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

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

16 (b) FEDERAL REBATE PROCESSING SYSTEM.—

17 (1) IN GENERAL.—Not later than 30 days after
18 the date of enactment of this Act, the Secretary, in
19 consultation with the Secretary of the Treasury and
20 the Administrator, shall—

21 (A) establish a Federal Rebate Processing
22 System which shall serve as a database and in-
23 formation technology system to allow rebate
24 aggregators to submit claims for reimbursement
25 using standard data protocols;

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

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

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

15 (c) QUALIFIED CONTRACTOR REQUIREMENTS.—A
16 qualified contractor may perform retrofit work for which
17 rebates are authorized under this Act only if it executes
18 a Home Star participation agreement affirming that it
19 meets applicable requirements, including—

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

24 (2) insurance coverage of at least \$1,000,000
25 for general liability, and for such other purposes and

1 in such other amounts as may be required by the
2 State;

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

5 (A) be free of significant defects;

6 (B) be installed in accordance with the
7 specifications of the manufacturer; and

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

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

15 (5) agreeing to provide to the homeowner a no-
16 tice of—

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

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

1 (6) any other appropriate requirements as de-
2 termined by the Secretary, in consultation with the
3 Administrator.

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

10 (e) ADMINISTRATION.—

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

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

23 (3) CONSULTANTS.—Notwithstanding section
24 303 of the Federal Property and Administrative
25 Services Act of 1949 (41 U.S.C. 253), the Secretary

1 may retain such consultants on a noncompetitive
2 basis as the Secretary considers necessary to carry
3 out this Act.

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

12 (5) REGULATIONS.—

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

18 (i) establish;

19 (ii) achieve full operational status
20 within 60 days after the date of enactment
21 of this Act for; or

22 (iii) carry out,

23 the Home Star Retrofit Rebate Program.

24 (B) TIMING.—If the Secretary determines
25 that regulations described in subparagraph (A)

1 are necessary, the regulations shall be issued
2 not later than 60 days after such determina-
3 tion.

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

9 (7) EFFECTIVE PERIOD.—Paragraphs (1), (3),
10 (4), (5), and (6) shall be effective only for fiscal
11 years 2010 and 2011.

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

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

25 (h) INDIAN TRIBE PARTICIPATION.—

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

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

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

22 (i) IMPLEMENTATION BY SECRETARY.—

23 (1) IN GENERAL.—If a State has not indicated
24 to the Secretary within 30 days after the date of en-
25 actment of this Act that it is prepared to carry out

1 section 7, or if at any later time the Secretary deter-
2 mines that a State is no longer prepared to carry
3 out section 7, to the extent that no Indian tribe as-
4 sumes such responsibilities under subsection (h) the
5 Secretary shall assume the responsibilities of that
6 State with respect to carrying out section 7.

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

15 (j) LIMITATION.—Rebates may not be provided under
16 both section 5 and section 6 with respect to the same
17 home.

18 (k) FORMS FOR CERTIFICATION AND QUALITY AS-
19 SURANCE.—

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

1 (A) each qualified contractor, accredited
2 contractor, and quality assurance provider on
3 completion of an eligible home energy retrofit;
4 and

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

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

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

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

20 (2) to facilitate consumer financing;

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

1 (4) to assist in implementing quality assurance
2 programs.

3 (m) COORDINATION OF REBATE AND EXISTING
4 STATE-SPONSORED PROGRAMS.—

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

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

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

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

21 (A) give priority to—

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

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

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

7 **SEC. 4. REBATE AGGREGATORS.**

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

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

20 (c) **RESPONSIBILITIES.**—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) maintain appropriate accounting for rebate
11 applications processed, and their disposition;

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

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

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

21 (1) shall be—

22 (A) a Home Performance with Energy
23 Star partner;

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

4 (C) a Federal power marketing administra-
5 tion;

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

9 (E) an entity—

10 (i) with corporate status or status as
11 a State or local government;

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

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

22 (2) must be able to demonstrate—

23 (A) a relationship with 1 or more inde-
24 pendent quality assurance providers that is suf-

1 efficient to meet the volume of contracting serv-
2 ices delivered;

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

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

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

12 (e) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
13 GETS.—The Secretary shall—

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

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

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

22 (a) IN GENERAL.—During the first year after the
23 date of enactment of this Act, a Silver Star Home Energy
24 Retrofit Program rebate shall be awarded, subject to the
25 maximum amount limitations under subsection (d)(4), to

1 participating contractors and vendors, to reimburse them
2 for discounts provided to the owner of the home for the
3 retrofit work, for the installation of energy savings meas-
4 ures—

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

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

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

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

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

18 (2) Attic insulation measures that—

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

24 (B) add at least R-19 insulation to exist-
25 ing insulation;

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

6 (D) cover at least—

7 (i) 100 percent of an accessible attic;

8 or

9 (ii) 75 percent of a total conditioned
10 space floor area.

11 (3) Duct seal or replacement that—

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

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

18 (4) Wall insulation that—

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

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

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

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

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

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

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

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

16 (6) Window replacement that replaces at least
17 8 exterior windows or skylights, or 75 percent of the
18 exterior windows or skylights in a home, whichever
19 is less, with windows or skylights that—

20 (A) are certified by the National Fenestra-
21 tion Rating Council; and

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

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

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

6 (i) a natural gas or propane furnace with
7 a furnace that has an AFUE rating of 92 or
8 greater;

9 (ii) a natural gas or propane boiler with a
10 boiler that has an AFUE rating of 90 or great-
11 er;

12 (iii) an oil furnace with a furnace that has
13 an AFUE rating of 86 or greater and that uses
14 an electrically commutated blower motor;

15 (iv) an oil boiler with a boiler that has an
16 AFUE rating of 86 or greater and that has
17 temperature reset or thermal purge controls; or

18 (v) a wood or wood pellet furnace, boiler,
19 or stove, if—

20 (I) the new system—

21 (aa) meets at least 75 percent of
22 the heating demands of the home;

23 (bb) has a distribution system
24 (such as ducts or vents) that allows

1 heat to reach all or most parts of the
2 home; and

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

5 (II) an independent quality assurance
6 provider certifies that the new system—

7 (aa) has thermal efficiency (lower
8 heating value) of at least 75 percent
9 for stoves and 80 percent for furnaces
10 and boilers; and

11 (bb) has particulate emissions of
12 less than 4.5 grams per hour for
13 stoves.

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

19 (9) Air conditioner or heat pump replacement
20 with a new unit that—

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

23 (B) meets or exceeds—

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

1 (ii) in the case of a heat pump, SEER
2 15, EER 12.5, and HSPF 8.5.

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

5 (A) a natural gas or propane storage water
6 heater with an energy factor of 0.80 or more or
7 a thermal efficiency of 90 percent or more;

8 (B) a tankless natural gas or propane
9 water heater with an energy factor of at least
10 .82;

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

13 (D) an indirect water heater with an insu-
14 lated storage tank that—

15 (i) has a storage capacity of at least
16 30 gallons and is insulated to at least R-
17 16; and

18 (ii) is installed in conjunction with a
19 qualifying boiler described in paragraph
20 (8);

21 (E) an electric water heater with an energy
22 factor of 2.0 or more; or

23 (F) a solar hot water system that—

24 (i) is certified by the Solar Rating and
25 Certification Corporation; or

1 (ii) meets technical standards estab-
2 lished by the State of Hawaii.

3 (11) Storm windows that—

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

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

10 (C) comply with any procedures that the
11 Secretary may set for storm windows and their
12 installation.

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

18 (d) AMOUNT OF REBATE.—

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

24 (2) HIGHER REBATE AMOUNT.—Except as pro-
25 vided in paragraph (4), the amount of a rebate pro-

1 vided under subsection (a) shall be \$1,500 per meas-
2 ure for—

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

5 (B) wall insulation described in subsection
6 (b)(4).

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

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

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

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

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

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

24 (A) \$3,000;

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

3 (C) if the Secretary finds that the net
4 value to the homeowner of the rebates, as a
5 function of the discount the contractor or ven-
6 dor provides to the homeowner for the installed
7 measures, is less than the amount of the re-
8 bates, the actual net value to the homeowner.

9 (e) VERIFICATION AND CORRECTION OF WORK.—

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

16 (2) VERIFICATION.—

17 (A) PERCENTAGE OF RETROFITS
18 VERIFIED.—

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

21 (I) 20 percent of the retrofits
22 performed by each qualified con-
23 tractor under this section with respect
24 to a rebate described in subsection (a)
25 shall be randomly subject to field

1 verification by an independent quality
2 assurance provider of all work associ-
3 ated with the retrofit; and

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

14 (ii) EXCEPTION.—In the case of a
15 qualified contractor whose previous retrofit
16 work the Secretary or the State has found
17 to fail to comply with the requirements of
18 this section, the manager of the quality as-
19 surance program may establish a higher
20 percentage of the retrofits performed by
21 that contractor under this section with re-
22 spect to a rebate described in subsection
23 (a) to be subject to field verification by an
24 independent quality assurance provider.

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

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

16 (A) The installed measures will comply
17 with the specifications and quality standards
18 under this section if a field verification by a
19 quality assurance provider finds that corrective
20 work is needed. Such compliance shall be
21 achieved by the installing accredited contractor
22 not later than 14 days after the date of notifi-
23 cation of a defect pursuant to a warranty, pro-
24 vided at no additional cost to the homeowner.

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

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

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

14 (f) PRODUCTS PURCHASED WITHOUT INSTALLATION
15 SERVICES.—

16 (1) IN GENERAL.—A Silver Star Home Energy
17 Retrofit Program rebate shall be awarded for attic,
18 wall, and crawl space insulation and air-sealing
19 products that—

20 (A) qualify for a tax credit under section
21 25C of the Internal Revenue Code of 1986, but
22 with respect to which no claim for such a tax
23 credit has been made;

1 (B) are purchased by a homeowner for in-
2 stallation by the homeowner in a home identi-
3 fied by its address by the homeowner; and

4 (C) are identified and attributed to that
5 home in a rebate submission by the vendor to
6 a rebate aggregator.

7 (2) LIMITATION.—No rebate may be provided
8 under this subsection with respect to insulation or
9 products that are employed in energy-efficiency
10 measures with respect to which a rebate is provided
11 under this section or section 6.

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

16 (g) REVIEW.—

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

24 (2) INCORRECT PAYMENT.—On a determination
25 of the Secretary under paragraph (1) that a pay-

1 ment was made incorrectly to a party, or that suffi-
2 cient information was not submitted to the Federal
3 Rebate Processing System to enable such determina-
4 tion, the Secretary—

5 (A) may—

6 (i) recoup the amount of the incorrect
7 payment; or

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

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

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

20 (a) IN GENERAL.—A Gold Star Home Energy Ret-
21 rofit Program rebate shall be awarded, subject to sub-
22 section (c), to participating accredited contractors and
23 vendors, to reimburse them for discounts provided to the
24 owner of the home for the retrofit work, for retrofits that
25 achieve whole home energy savings carried out after the

1 date of enactment of this Act in accordance with this sec-
2 tion.

3 (b) ENERGY SAVINGS.—

4 (1) IN GENERAL.—Reductions in whole home
5 energy consumption under this section shall be de-
6 termined by a comparison of the simulated energy
7 consumption of the home before and after the ret-
8 rofit of the home.

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

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

19 (ii) a equivalent performance test estab-
20 lished by the Secretary, in consultation with the
21 Administrator; or

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

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

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

6 (iv) a HERS rating system approved or re-
7 quired by the law of the State in which the
8 home is located.

9 (3) MONITORING.—The Secretary—

10 (A) shall continuously monitor the software
11 programs used for determining rebates under
12 this section; and

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

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

17 (A) establish simulation software program
18 assumptions for carrying out paragraph (2);

19 (B) require compliance with software pro-
20 gram performance tests covering—

21 (i) mechanical system performance;

22 (ii) duct distribution system efficiency;

23 (iii) hot water performance; or

24 (iv) other measures; and

1 (C) require the simulation of pre-retrofit
2 energy usage to be determined by metered pre-
3 retrofit energy usage.

4 (5) RECOMMENDED MEASURES.—Software pro-
5 grams used under this subsection shall have the abil-
6 ity at a minimum to assess the savings associated
7 with all the measures for which rebates are specifi-
8 cally provided under the Silver Star Home Energy
9 Retrofit Program.

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

13 (1) \$3,000 for a 20-percent reduction in whole
14 home energy consumption; and

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

17 (A) \$8,000; or

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

19 (d) VERIFICATION AND CORRECTION OF WORK.—

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

1 (2) VERIFICATION.—

2 (A) IN GENERAL.—Subject to subpara-
3 graph (B), all work conducted in a home as
4 part of a whole-home retrofit by an accredited
5 contractor under this section shall be subject to
6 random field verification by an independent
7 quality assurance provider at a rate of—

8 (i) 15 percent; or

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

12 (B) VERIFICATION NOT REQUIRED.—A
13 home shall not be subject to field verification
14 under subparagraph (A) if—

15 (i) a post-retrofit home energy rating
16 is conducted by an entity that is an eligible
17 certifier in accordance with—

18 (I) RESNET Publication No.
19 06–001 (or a successor publication
20 approved by the Secretary);

21 (II) a State-certified equivalent
22 rating network, as specified in IRS
23 Notice 2008–35; or

1 (III) a HERS rating system re-
2 quired by the law of the State in
3 which the home is located;

4 (ii) the eligible certifier is independent
5 of the accredited contractor in accordance
6 with RESNET Publication No. 06-001 (or
7 a successor publication approved by the
8 Secretary); and

9 (iii) the rating includes field
10 verification of all measures for which re-
11 bates are being provided.

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

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

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

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

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

24 (C) The quality assurance provider shall
25 notify the contractor of the disposition of such

1 visit not later than 7 days after the date of the
2 visit.

3 (e) 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. 7. QUALITY ASSURANCE.**

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

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

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

16 (A) develop a quality assurance framework
17 in consultation with industry stakeholders, in-
18 cluding representatives of efficiency program
19 managers, contractors, and environmental, en-
20 ergy efficiency, and labor organizations; and

21 (B) implement the quality assurance
22 framework not later than 90 days after the plan
23 is submitted to the Secretary under paragraph
24 (1).

1 (3) COMPONENTS.—The quality assurance
2 framework established under this subsection shall in-
3 clude—

4 (A) maintenance of a list of such qualified
5 contractors and accredited contractors;

6 (B) minimum standards for such qualified
7 contractors or accredited contractors;

8 (C) requirements for maintenance and de-
9 livery to the Federal Rebate Processing System
10 of information needed to verify compliance and
11 ensure appropriate compensation for quality as-
12 surance providers;

13 (D) targets and realistic plans for—

14 (i) the recruitment of minority or
15 women-owned small business enterprises;

16 (ii) the employment of graduates of
17 training programs that primarily serve low-
18 income populations with a median income
19 that is below 200 percent of the poverty
20 line (as defined in section 673(2) of the
21 Community Services Block Grant Act (42
22 U.S.C. 9902(2), including any revision re-
23 quired by that section) by participating
24 contractors; and

1 (E) a plan to link workforce training for
2 energy efficiency retrofits with training for the
3 broader range of skills and occupations in con-
4 struction or emerging clean energy industries.

5 (4) NONCOMPLIANCE.—If the Secretary deter-
6 mines that a State has not taken the steps required
7 under this subsection, the Secretary shall provide to
8 the State a period of at least 90 days to comply be-
9 fore suspending the participation of the State in the
10 Home Star Retrofit Rebate Program.

11 (b) QUALITY ASSURANCE PROGRAMS.—

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

14 (A) as part of a State energy conservation
15 plan established under part D of title III of the
16 Energy Policy and Conservation Act (42 U.S.C.
17 6321 et seq.);

18 (B) to be managed by the office or the des-
19 ignee of the office—

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

23 (ii) to the maximum extent prac-
24 ticable, that is conducting an existing en-
25 ergy efficiency program; and

1 (C) in the case of a grant made to an In-
2 dian tribe, to be managed by an entity des-
3 ignated by the Indian tribe to carry out a qual-
4 ity assurance program or a national quality as-
5 surance program manager.

6 (2) NONCOMPLIANCE.—If the Secretary deter-
7 mines that a State has not provided or cannot pro-
8 vide adequate oversight over a quality assurance pro-
9 gram to ensure compliance with this Act, the Sec-
10 retary may—

11 (A) withhold further quality assurance
12 funds from the State; and

13 (B) require that quality assurance pro-
14 viders operating in the State be overseen by a
15 national quality assurance program manager se-
16 lected by the Secretary.

17 (3) IMPLEMENTATION.—A State that receives a
18 grant under this Act may implement a quality assur-
19 ance program through the State or an independent
20 quality assurance provider designated by the State,
21 including—

22 (A) an energy service company;

23 (B) an electric utility;

24 (C) a natural gas utility;

1 (D) an independent administrator des-
2 igned by the State; or

3 (E) a unit of local government.

4 **SEC. 8. REPORT.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this Act, the Secretary shall submit
7 to the Committee on Energy and Natural Resources of
8 the Senate and the Committee on Energy and Commerce
9 of the House of Representatives a report on this Act.

10 (b) CONTENTS.—The report shall include a descrip-
11 tion of—

12 (1) the energy savings produced as a result of
13 this Act;

14 (2) the direct and indirect employment created
15 as a result of the programs supported under this
16 Act;

17 (3) the specific entities implementing the en-
18 ergy efficiency programs;

19 (4) the beneficiaries who received the efficiency
20 improvements;

21 (5) the manner in which funds provided under
22 this Act were used;

23 (6) the sources (such as mortgage lenders, util-
24 ity companies, and local governments) and types of
25 financing used by the beneficiaries to finance the

1 retrofit expenses that were not covered by rebates
2 provided under this Act; and

3 (7) the results of verification requirements; and

4 (8) any other information the Secretary con-
5 siders appropriate.

6 (c) REQUIRED INFORMATION.—

7 (1) REQUIREMENT.—Rebate aggregators and
8 States participating in the Home Star Retrofit Re-
9 bate Program shall provide to the Secretary such in-
10 formation as the Secretary requires to prepare the
11 report required under this section.

12 (2) NONCOMPLIANCE.—If the Secretary deter-
13 mines that a rebate aggregator or State has not pro-
14 vided the information required under paragraph (1),
15 the Secretary shall provide to the rebate aggregator
16 or State a period of at least 90 days to provide the
17 necessary information, subject to withholding of
18 funds or reduction of future grant amounts.

19 **SEC. 9. TREATMENT OF REBATES.**

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

22 (1) shall not be considered taxable income to a
23 homeowner; and

24 (2) shall reduce any credit allowed under sec-
25 tion 25C of that Code for eligible work performed in

1 the home of the homeowner by the amount of any
2 rebate provided under this Act for the eligible work.

3 (b) NOTICE.—A participating contractor shall pro-
4 vide notice to a homeowner of the provisions of subsection
5 (a) before eligible work is performed in the home of the
6 homeowner.

7 **SEC. 10. PUBLIC INFORMATION CAMPAIGN.**

8 Not later than 60 days after the date of enactment
9 of this Act, the Administrator, in consultation with the
10 States and the Secretary, shall develop and implement a
11 public education campaign that describes—

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

13 (2) the availability of rebates for the installa-
14 tion of qualifying energy savings measures under the
15 Silver Star Home Energy Retrofit Program and for
16 whole home energy savings under the Gold Star
17 Home Energy Retrofit Program.

18 **SEC. 11. PENALTIES.**

19 (a) IN GENERAL.—The Secretary may—

20 (1) assess and compromise a civil penalty
21 against a person who violates this Act (or any regu-
22 lation issued under this Act); and

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

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

4 (1) \$15,000 for each violation; or

5 (2) 3 times the value of any associated rebate
6 under this Act.

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

8 (a) DEFINITIONS.—In this section:

9 (1) ELIGIBLE PARTICIPANT.—The term “eligi-
10 ble participant” means a homeowner who receives fi-
11 nancial assistance from a qualified financing entity
12 to carry out qualifying energy savings measures
13 under the Silver Star Home Energy Retrofit Pro-
14 gram or whole home energy savings under the Gold
15 Star Home Energy Retrofit Program.

16 (2) QUALIFIED FINANCING ENTITY.—The term
17 “qualified financing entity” means a State, political
18 subdivision of a State, tribal government, electric
19 utility, natural gas utility, nonprofit or community-
20 based organization, energy service company, retailer,
21 or any other entity that—

22 (A) meets the eligibility requirements of
23 this section; and

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

1 (3) QUALIFIED LOAN PROGRAM MECHANISM.—

2 The term “qualified loan program mechanism”
3 means a mechanism for the establishment and oper-
4 ation of a loan program that is—

5 (A) administered by a qualified financing
6 entity; and

7 (B) principally funded—

8 (i) by funds provided by or overseen
9 by a State; or

10 (ii) through the energy loan program
11 of the Federal National Mortgage Associa-
12 tion.

13 (b) ESTABLISHMENT.—The Secretary shall establish
14 a Home Star Energy Efficiency Loan Program under
15 which the Secretary shall make funds available to States
16 to support financial assistance provided by qualified fi-
17 nancing entities for the installation of qualifying energy
18 savings measures under the Silver Star Home Energy Ret-
19 rofit Program or whole home energy savings under the
20 Gold Star Home Energy Retrofit Program.

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

24 (1) offer a financing product under which eligi-
25 ble participants may pay over time for the cost to

1 the eligible participant (after all applicable Federal,
2 State, local, and other rebates or incentives are ap-
3 plied) of installations described in subsection (b);

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

8 (3) establish standard underwriting criteria to
9 determine the eligibility of Home Star Loan Pro-
10 gram applicants, which criteria shall be consistent
11 with—

12 (A) with respect to unsecured consumer
13 loan programs, standard underwriting criteria
14 used under the energy loan program of the
15 Federal National Mortgage Association; or

16 (B) with respect to secured loans or other
17 forms of financial assistance, commercially rec-
18 ognized best practices applicable to the form of
19 financial assistance being provided (as deter-
20 mined by the designated entity administering
21 the Home Star Loan Program in the State).

22 (d) ALLOCATION.—In making funds available to
23 States for each fiscal year under this section, the Sec-
24 retary shall use the formula used to allocate funds to
25 States to carry out State energy conservation plans estab-

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

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

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

9 (2) has established a qualified loan program
10 mechanism that—

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

14 (B) incorporates an effective repayment
15 mechanism, which may include—

16 (i) on-utility-bill repayment;

17 (ii) tax assessment or other form of
18 property assessment financing;

19 (iii) municipal service charges;

20 (iv) energy or energy efficiency serv-
21 ices contracts;

22 (v) energy efficiency power purchase
23 agreements;

24 (vi) unsecured loans applying the un-
25 derwriting requirements of the energy loan

1 program of the Federal National Mortgage
2 Association; or

3 (vii) alternative contractual repayment
4 mechanisms that have been demonstrated
5 to have appropriate risk mitigation fea-
6 tures; and

7 (3) will provide, in a timely manner, all infor-
8 mation regarding the administration of the Home
9 Star Loan Program as the Secretary may require to
10 permit the Secretary to meet the program evaluation
11 requirements of subsection (h).

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

16 (1) interest rate reductions to interest rates as
17 low as 0 percent;

18 (2) loan loss reserves or other forms of credit
19 enhancement;

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

22 (4) other debt instruments necessary—

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

1 (B) to support widespread deployment of
2 energy efficiency programs.

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

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

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

15 (2) how many jobs have been created through
16 the Home Star Loan Program, directly and indi-
17 rectly;

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

20 (4) the quantity of verifiable energy savings,
21 homeowner energy bill savings, and other benefits of
22 the Home Star Loan Program; and

23 (5) the performance of the programs carried
24 out by qualified financing entities under this section,

1 including information on the rate of default and re-
2 payment.

3 **SEC. 13. FUNDING.**

4 (a) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—Subject to subsection (j),
6 there are authorized to be appropriated to carry out
7 this Act such sums as may be necessary for the pe-
8 riod of fiscal years 2010 and 2011, to remain avail-
9 able until expended.

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

19 (b) GRANTS TO STATES.—

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

1 (A) administrative costs of carrying out
2 this Act;

3 (B) development of quality assurance
4 frameworks;

5 (C) oversight of quality assurance pro-
6 grams;

7 (D) establishment and delivery of financing
8 mechanisms, in accordance with paragraph (2);
9 and

10 (E) coordination with existing residential
11 retrofit programs and infrastructure develop-
12 ment to assist deployment of the Home Star
13 Retrofit Rebate Program.

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

17 (3) DISTRIBUTION TO STATES.—

18 (A) PROVISION OF FUNDS.—Not later than
19 30 days after the date of enactment of this Act,
20 the Secretary shall provide to the State energy
21 offices, or such other State entities as are des-
22 ignated by the Governor, of States that are car-
23 rying out responsibilities under section 7, 25
24 percent of the funds described in paragraph (1).

1 (B) ALLOCATION.—Funds described in
2 subparagraph (A) shall be made available in ac-
3 cordance with the allocation formula for State
4 energy conservation plans established under
5 part D of title III of the Energy Policy and
6 Conservation Act (42 U.S.C. 6321 et seq.).

7 (4) WITHHOLDING OF FUNDS.—To the extent
8 that the Secretary assumes the responsibilities of a
9 State under section 3(i), the Secretary shall withhold
10 the portion of the funds otherwise transferrable to
11 the State under this section that are attributable to
12 those State responsibilities.

13 (5) INDIAN TRIBES.—

14 (A) IN GENERAL.—If an Indian tribe acts
15 in place of a State for purposes of carrying out
16 the responsibilities of the State under this Act
17 with respect to its tribal lands pursuant to sec-
18 tion 3(h), the Secretary shall transfer to that
19 Indian tribe, instead of the State, the propor-
20 tionate share of funds otherwise transferrable
21 to the State under this section.

22 (B) PROPORTIONATE SHARE.—For pur-
23 poses of subparagraph (A), the proportionate
24 share shall be calculated on the basis of the

1 percentage of the population of the State that
2 resides within the tribal lands.

3 (c) QUALITY ASSURANCE COSTS.—

4 (1) IN GENERAL.—Of the amount provided
5 under subsection (a), not more than 5 percent are
6 authorized to be appropriated to the Secretary to be
7 used as provided in paragraph (2), in accordance
8 with information provided by the State offices or en-
9 tities described in subsection (b)(3)(B) with respect
10 to services provided by quality assurance providers.

11 (2) DISTRIBUTION TO QUALITY ASSURANCE
12 PROVIDERS OR REBATE AGGREGATORS.—The Sec-
13 retary shall use funds provided under this subsection
14 to compensate quality assurance providers and re-
15 bate aggregators for services provided under this
16 Act.

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

19 (A)(i) in the case of the Silver Star Home
20 Energy Retrofit Program—

21 (I) not more than \$25 to rebate
22 aggregators per rebate review and proc-
23 essing under the program; and

1 (II) \$150 to quality assurance pro-
2 viders for each field inspection conducted
3 under the program; and

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

6 (I) not more than \$35 to rebate
7 aggregators for each rebate review and
8 processing under the program; and

9 (II) \$300 to quality assurance pro-
10 viders for each field inspection conducted
11 under the program; or

12 (B) such other amounts as the Secretary
13 considers necessary to carry out the quality as-
14 surance provisions of this Act to optimize the
15 overall energy efficiency resulting from the Sil-
16 ver Star Home Energy Retrofit Program and
17 the Gold Star Home Energy Retrofit Program.

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

1 (e) PUBLIC EDUCATION AND COORDINATION.—Of
2 the amount provided under subsection (a), not more than
3 0.2 percent are authorized to be appropriated to the Ad-
4 ministrator to be used for costs associated with public edu-
5 cation and coordination with the Federal Energy Star pro-
6 gram.

7 (f) SILVER STAR HOME ENERGY RETROFIT PRO-
8 GRAM.—

9 (1) IN GENERAL.—Of the amount provided
10 under subsection (a), after subtracting the amounts
11 authorized in subsections (b), (d), and (e) of this
12 section, two-thirds of the remainder are authorized
13 to be appropriated to the Secretary to be used to
14 provide rebates and other payments authorized
15 under the Silver Star Home Energy Retrofit Pro-
16 gram.

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

22 (g) GOLD STAR HOME ENERGY RETROFIT PRO-
23 GRAM.—Of the amount provided under subsection (a),
24 after subtracting the amounts authorized in subsections
25 (b), (d), and (e) of this section, one-third of the remainder

1 is authorized to be appropriated to the Secretary to be
2 used to provide rebates and other payments authorized
3 under the Gold Star Home Energy Retrofit Program.

4 (h) RETURN OF UNDISBURSED FUNDS.—

5 (1) SILVER STAR HOME ENERGY RETROFIT
6 PROGRAM.—If the Secretary has not disbursed all
7 the funds available for rebates under the Silver Star
8 Home Energy Retrofit Program by the date that is
9 1 year after the date of enactment of this Act, any
10 undisbursed funds shall be made available to the
11 Gold Star Home Energy Retrofit Program.

12 (2) GOLD STAR HOME ENERGY RETROFIT PRO-
13 GRAM.—If the Secretary has not disbursed all the
14 funds available for rebates under the Gold Star
15 Home Energy Retrofit Program by the date that is
16 2 years after the date of enactment of this Act, any
17 undisbursed funds shall be returned to the Treasury.