

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO THE COMMITTEE PRINT
OFFERED BY MR. MARKEY OF MASSACHUSETTS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Home Star Energy
3 Retrofit Act of 2010”.

4 SEC. 2. DEFINITIONS.

5 In this Act:

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

9 (A) by the BPI; or

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

13 (2) ADMINISTRATOR.—The term “Adminis-
14 trator” means the Administrator of the Environ-
15 mental Protection Agency.

16 (3) BPI.—The term “BPI” means the Building
17 Performance Institute.

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

6 (A) an applicable third party skills stand-
7 ard established by—

8 (i) BPI;

9 (ii) North American Technician Excel-
10 lence;

11 (iii) the Laborers’ International Union
12 of North America; or

13 (B) other standards approved by the Sec-
14 retary, in consultation with the Secretary of
15 Labor and the Administrator.

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

18 (A) intended for habitation; and

19 (B) intentionally heated or cooled.

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

22 (7) ELECTRIC UTILITY.—The term “electric
23 utility” means any person, State agency, rural elec-
24 tric cooperative, municipality, or other governmental
25 entity that delivers or sells electric energy at retail,

1 including nonregulated utilities and utilities that are
2 subject to State regulation and Federal power mar-
3 keting administrations.

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

6 (9) FEDERAL REBATE PROCESSING SYSTEM.—
7 The term “Federal Rebate Processing System”
8 means the Federal Rebate Processing System estab-
9 lished under section 3(b).

10 (10) GOLD STAR HOME ENERGY RETROFIT PRO-
11 GRAM.—The term “Gold Star Home Energy Retrofit
12 Program” means the Gold Star Home Energy Ret-
13 rofit Program established under section 6.

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

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

18 (B) was constructed before the date of en-
19 actment of this Act.

20 (12) HOME STAR LOAN PROGRAM.—The term
21 “Home Star Loan Program” means the Home Star
22 Energy Efficiency Loan Program established under
23 section 12.

24 (13) INDIAN TRIBE.—The term “Indian tribe”
25 has the meaning given the term in section 4 of the

1 Indian Self-Determination and Education Assistance
2 Act (25 U.S.C. 450b).

3 (14) NATIONAL HOME PERFORMANCE COUN-
4 CIL.—The term “National Home Performance Coun-
5 cil” means the National Home Performance Council,
6 Inc.

7 (15) NATURAL GAS UTILITY.—The term “nat-
8 ural gas utility” means any person or State agency
9 that transports, distributes, or sells natural gas at
10 retail, including nonregulated utilities and utilities
11 that are subject to State regulation.

12 (16) QUALIFIED CONTRACTOR.—The term
13 “qualified contractor” means a residential energy ef-
14 ficiency contractor meeting minimum applicable re-
15 quirements as determined under section 3(c).

16 (17) QUALITY ASSURANCE PROGRAM.—

17 (A) IN GENERAL.—The term “quality as-
18 surance program” means a program authorized
19 under this Act to oversee the delivery of home
20 efficiency retrofit programs to ensure that work
21 is performed in accordance with standards and
22 criteria established under this Act.

23 (B) INCLUSIONS.—For purposes of sub-
24 paragraph (A), delivery of retrofit programs in-
25 cludes field inspections required under this Act,

1 with the consent of participating consumers and
2 without delaying rebate payments to partici-
3 pating contractors and vendors.

4 (18) QUALITY ASSURANCE PROVIDER.—

5 (A) IN GENERAL.—The term “quality as-
6 surance provider” means any entity that is au-
7 thorized pursuant to this Act to perform field
8 inspections and other measures required to con-
9 firm the compliance of retrofit work with the
10 requirements of this Act.

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

- 15 (i) the International Code Council;
- 16 (ii) the BPI;
- 17 (iii) the RESNET;
- 18 (iv) a State;
- 19 (v) a State-approved residential en-
20 ergy efficiency retrofit program; or
- 21 (vi) any other entity designated for
22 such purpose by the Secretary, in consulta-
23 tion with the Administrator.

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

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

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

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

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

13 (A) a State;

14 (B) the District of Columbia;

15 (C) the Commonwealth of Puerto Rico;

16 (D) Guam;

17 (E) American Samoa;

18 (F) the United States Virgin Islands;

19 (G) the Northern Mariana Islands; and

20 (H) any other commonwealth, territory, or
21 possession of the United States.

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

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

25 (b) FEDERAL REBATE PROCESSING SYSTEM.—

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

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

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

16 (C) publish model forms and data proto-
17 cols for use by contractors, vendors, and quality
18 assurance providers to comply with the require-
19 ments of this Act.

20 (2) MODEL CERTIFICATION FORMS.—In car-
21 rying out this section, the Secretary shall consider
22 the model certification forms developed by the Na-
23 tional Home Performance Council.

24 (c) QUALIFIED CONTRACTOR REQUIREMENTS.—A
25 qualified contractor may perform retrofit work for which

1 rebates are authorized under this Act only if it executes
2 a Home Star participation agreement with a rebate
3 aggregator affirming that it meets applicable require-
4 ments, including—

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

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;

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 and

11 (6) any other appropriate requirements as de-
12 termined by the Secretary, in consultation with the
13 Administrator.

14 (d) ADMINISTRATIVE AND TECHNICAL SUPPORT.—
15 Subject to section 13(b) and (c), beginning not later than
16 30 days after the date of enactment of this Act, the Sec-
17 retary shall provide such administrative and technical sup-
18 port to rebate aggregators and States as is necessary to
19 carry out this Act.

20 (e) ADMINISTRATION.—

21 (1) APPOINTMENT OF PERSONNEL.—Notwith-
22 standing the provisions of title 5, United States
23 Code, governing appointments in the competitive
24 service and General Schedule classifications and pay
25 rates, the Secretary may appoint such professional

1 and administrative personnel as the Secretary con-
2 siders necessary to carry out this Act.

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

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

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

22 (5) REGULATIONS.—

23 (A) IN GENERAL.—Notwithstanding sec-
24 tion 553 of title 5, United States Code, the Sec-
25 retary may issue regulations that the Secretary,

1 in the sole discretion of the Secretary, deter-
2 mines necessary to—

3 (i) establish;

4 (ii) achieve full operational status
5 within 60 days after the date of enactment
6 of this Act for; or

7 (iii) carry out,

8 the Home Star Retrofit Rebate Program.

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

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

19 (7) EFFECTIVE PERIOD.—Paragraphs (1), (3),
20 (4), (5), and (6) shall be effective only for fiscal
21 years 2010 and 2011.

22 (f) PROGRAM REVIEW.—Not later than 180 days
23 after the date of enactment of this Act, the Secretary shall
24 prepare and transmit to Congress a State-by-State anal-

1 ysis and review the distribution of Home Star retrofit re-
2 bates under this Act.

3 (g) ADJUSTMENT OF REBATE AMOUNTS.—Effective
4 beginning on the date that is 180 days after the date of
5 enactment of this Act, the Secretary may, after not less
6 than 30 days public notice, prospectively adjust the rebate
7 amounts provided for under this Act as necessary to opti-
8 mize the overall energy efficiency resulting from the Silver
9 Star Home Energy Retrofit Program and the Gold Star
10 Home Energy Retrofit Program.

11 (h) INDIAN TRIBE PARTICIPATION.—

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

21 (2) TRANSITION OF RESPONSIBILITIES.—The
22 Secretary may permit an Indian tribe, after the expi-
23 ration of 30 days after the date of enactment of this
24 Act, to assume the responsibilities of a State under
25 this Act with respect to its tribal lands if the Sec-

1 retary finds that such assumption of responsibilities
2 will not disrupt the ongoing administration of the
3 program under this Act.

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

8 (i) IMPLEMENTATION BY SECRETARY.—

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

18 (2) TRANSITION OF RESPONSIBILITIES.—The
19 Secretary may permit a State, after the Secretary
20 has assumed the responsibilities of that State under
21 paragraph (1), to assume the responsibilities as-
22 signed to States under section 7 with respect to that
23 State if the Secretary finds that such assumption of
24 responsibilities will not disrupt the ongoing adminis-
25 tration of the program under this Act.

1 (j) LIMITATION.—Rebates may not be provided under
2 both section 5 and section 6 with respect to the same
3 home.

4 (k) FORMS FOR CERTIFICATION AND QUALITY AS-
5 SURANCE.—

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

12 (A) each qualified contractor, accredited
13 contractor, and quality assurance provider on
14 completion of an eligible home energy retrofit;
15 and

16 (B) each quality assurance provider on
17 completion of field verification required under
18 this section.

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

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

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

7 (2) to facilitate consumer financing;

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

12 (4) to assist in implementing quality assurance
13 programs.

14 (m) COORDINATION OF REBATE AND EXISTING
15 STATE-SPONSORED PROGRAMS.—

16 (1) IN GENERAL.—A State shall, to the max-
17 imum extent practicable, prevent duplication through
18 coordination of a program authorized under this Act
19 with—

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

1 (B) comparable programs planned or oper-
2 ated by States, political subdivisions, electric
3 and natural gas utilities, Federal power mar-
4 keting administrations, and Indian tribes.

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

7 (A) give priority to—

8 (i) comprehensive retrofit programs in
9 existence on the date of enactment of this
10 Act, including programs under the super-
11 vision of State utility regulators; and

12 (ii) using funds made available under
13 this Act to enhance and extend existing
14 programs; and

15 (B) seek to enhance and extend existing
16 programs by coordinating with administrators
17 of the programs.

18 **SEC. 4. REBATE AGGREGATORS.**

19 (a) IN GENERAL.—The Secretary shall develop a net-
20 work of rebate aggregators that can facilitate the delivery
21 of rebates to participating contractors and vendors, to re-
22 imburse those contractors and vendors for discounts pro-
23 vided to homeowners for energy efficiency retrofit work.
24 The Secretary shall approve or deny an application from

1 a person seeking to become a rebate aggregator not later
2 than 30 days after receiving such application.

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

7 (c) RESPONSIBILITIES.—Rebate aggregators shall—

8 (1) review each proposed rebate application for
9 completeness and accuracy;

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

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

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

21 (5) maintain appropriate accounting for rebate
22 applications processed, and their disposition;

23 (6) review contractor qualifications and accredi-
24 tation and retain documentation of such qualifica-
25 tion and accreditation, as required for contractors to

1 be authorized to perform residential energy effi-
2 ciency retrofit work under this Act; and

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

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

7 (1) shall be—

8 (A) a Home Performance with Energy
9 Star partner;

10 (B) an entity administering a residential
11 energy efficiency retrofit program established or
12 approved by a State;

13 (C) a Federal power marketing administra-
14 tion;

15 (D) an electric utility or a natural gas util-
16 ity administering or offering a residential en-
17 ergy efficiency retrofit program; or

18 (E) an entity—

19 (i) with corporate status or status as
20 a State or local government;

21 (ii) who can demonstrate adequate fi-
22 nancial capability to manage a rebate
23 aggregator program, as evidenced by au-
24 dited financial records; and

1 (iii) whose participation in the pro-
2 gram, in the judgment of the Secretary,
3 would not disrupt existing residential ret-
4 rofit programs in the States that are car-
5 rying out the Home Star Retrofit Rebate
6 Program under this Act;

7 (2) must be able to demonstrate—

8 (A) a relationship with 1 or more inde-
9 pendent quality assurance providers that is suf-
10 ficient to meet the volume of contracting serv-
11 ices delivered;

12 (B) the capability to provide such elec-
13 tronic data as is required by the Secretary to
14 the Federal Rebate Processing System; and

15 (C) a financial system that is capable of
16 tracking the distribution of rebates to partici-
17 pating contractors and vendors; and

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

21 (e) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
22 GETS.—The Secretary shall—

23 (1) develop guidelines for States to use to allow
24 utilities participating as rebate aggregators to count

1 the energy savings from their participation toward
2 State-level energy savings targets; and

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

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

7 (a) IN GENERAL.—During the first year after the
8 date of enactment of this Act, a Silver Star Home Energy
9 Retrofit Program rebate shall be awarded, subject to the
10 maximum amount limitations under subsection (d)(4), to
11 participating contractors and vendors, to reimburse them
12 for discounts provided to the owner of the home for the
13 retrofit work, for the installation of energy savings meas-
14 ures—

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

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

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

20 (b) ENERGY SAVINGS MEASURES.—Subject to sub-
21 section (c), a rebate shall be awarded under subsection
22 (a) for the installation of the following energy savings
23 measures for a home energy retrofit that meet technical
24 standards established under this section:

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

4 (2) Attic insulation measures that—

5 (A) include sealing of air leakage between
6 the attic and the conditioned space, in accord-
7 ance with BPI standards or the attic portions
8 of the DOE or EPA thermal bypass checklist or
9 other procedures approved by the Secretary;

10 (B) add at least R-19 insulation to exist-
11 ing insulation;

12 (C) result in at least R-38 insulation in
13 DOE climate zones 1 through 4 and at least R-
14 49 insulation in DOE climate zones 5 through
15 8, including existing insulation, within the lim-
16 its of structural capacity; and

17 (D) cover at least—

18 (i) 100 percent of an accessible attic;

19 or

20 (ii) 75 percent of a total conditioned
21 space floor area.

22 (3) Duct seal or replacement that—

23 (A) is installed in accordance with BPI
24 standards or other procedures approved by the
25 Secretary; and

1 (B) in the case of duct replacement, re-
2 places at least 50 percent of a distribution sys-
3 tem of the home.

4 (4) Wall insulation that—

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

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

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

11 (5) Crawl space insulation or basement wall
12 and rim joist insulation that is installed in accord-
13 ance with BPI standards or other procedures ap-
14 proved by the Secretary and—

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

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

20 (ii) R-13 of cavity insulation or R-10
21 of continuous insulation to basement walls;
22 and

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

1 (6) Window replacement that replaces at least
2 8 exterior windows or skylights, or 75 percent of the
3 exterior windows and skylights in a home, whichever
4 is less, with windows or skylights that—

5 (A) are certified by the National Fenestra-
6 tion Rating Council; and

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

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

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

15 (i) a natural gas or propane furnace with
16 a furnace that has an AFUE rating of 92 or
17 greater;

18 (ii) a natural gas or propane boiler with a
19 boiler that has an AFUE rating of 90 or great-
20 er;

21 (iii) an oil furnace with a furnace that has
22 an AFUE rating of 86 or greater and that uses
23 an electrically commutated blower motor;

1 (iv) an oil boiler with a boiler that has an
2 AFUE rating of 86 or greater and that has
3 temperature reset or thermal purge controls; or

4 (v) a wood or wood pellet furnace, boiler,
5 or stove, if—

6 (I) the new system—

7 (aa) meets at least 75 percent of
8 the heating demands of the home;

9 (bb) has a distribution system
10 (such as ducts or vents) that allows
11 heat to reach all or most parts of the
12 home; and

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

15 (II) an independent test laboratory
16 approved by the Secretary certifies that
17 the new system—

18 (aa) has thermal efficiency (lower
19 heating value) of at least 75 percent
20 for stoves and 80 percent for furnaces
21 and boilers; and

22 (bb) has particulate emissions of
23 less than 4.5 grams per hour for
24 stoves.

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

6 (9) Air conditioner or heat pump replacement
7 with a new unit that—

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

10 (B) meets or exceeds—

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

13 (ii) in the case of a heat pump, SEER
14 15, EER 12.5, and HSPF 8.5.

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

17 (A) a natural gas or propane storage water
18 heater with an energy factor of 0.80 or more or
19 a thermal efficiency of 90 percent or more;

20 (B) a tankless natural gas or propane
21 water heater with an energy factor of at least
22 .82;

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

1 (D) an indirect water heater with an insu-
2 lated storage tank that—

3 (i) has a storage capacity of at least
4 30 gallons and is insulated to at least R-
5 16; and

6 (ii) is installed in conjunction with a
7 qualifying boiler described in paragraph
8 (8);

9 (E) an electric water heater with an energy
10 factor of 2.0 or more; or

11 (F) a solar hot water system that—

12 (i) is certified by the Solar Rating and
13 Certification Corporation; or

14 (ii) meets technical standards estab-
15 lished by the State of Hawaii.

16 (11) Storm windows that—

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

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

23 (C) comply with any procedures that the
24 Secretary may set for storm windows and their
25 installation.

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

6 (d) AMOUNT OF REBATE.—

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

12 (2) HIGHER REBATE AMOUNT.—Except as pro-
13 vided in paragraph (4), the amount of a rebate pro-
14 vided under subsection (a) shall be \$1,500 per meas-
15 ure for—

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

18 (B) wall insulation described in subsection
19 (b)(4).

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

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

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

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

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

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

12 (A) \$3,000;

13 (B) 50 percent of the total cost of the in-
14 stalled measures; or

15 (C) if the Secretary finds that the net
16 value to the homeowner of the rebates, as a
17 function of the discount the contractor or ven-
18 dor provides to the homeowner for the installed
19 measures, is less than the amount of the re-
20 bates, the actual net value to the homeowner.

21 (e) VERIFICATION AND CORRECTION OF WORK.—

22 (1) REIMBURSEMENT.—On submission of a
23 claim by a rebate aggregator to the Federal Rebate
24 Processing System, the Secretary shall provide reim-
25 bursement to the rebate aggregator for energy-effi-

1 ciency measures installed in a home, subject to para-
2 graphs (2) and (3).

3 (2) VERIFICATION.—

4 (A) PERCENTAGE OF RETROFITS
5 VERIFIED.—

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

8 (I) 20 percent of the retrofits
9 performed by each qualified con-
10 tractor under this section with respect
11 to a rebate described in subsection (a)
12 shall be randomly subject to field
13 verification by an independent quality
14 assurance provider of all work associ-
15 ated with the retrofit; and

16 (II) in the case of a qualified
17 contractor that always uses a certified
18 workforce, 10 percent of the retrofits
19 performed by that contractor under
20 this section with respect to a rebate
21 described in subsection (a) shall be
22 randomly subject to field verification
23 by an independent quality assurance
24 provider of all work associated with
25 the retrofit.

1 (ii) EXCEPTIONS.—In the case of a
2 qualified contractor whose previous retrofit
3 work—

4 (I) the Secretary or the State has
5 found to fail to comply with the re-
6 quirements of this section, the Sec-
7 retary may establish a higher percent-
8 age of the retrofits performed by that
9 contractor under this section with re-
10 spect to a rebate described in sub-
11 section (a) to be subject to field
12 verification by an independent quality
13 assurance provider; and

14 (II) the Secretary or the State
15 has found to successfully comply with
16 the requirements of this section, the
17 Secretary may establish a lower per-
18 centage of the retrofits performed by
19 that contractor under this section
20 with respect to a rebate described in
21 subsection (a) to be subject to field
22 verification by an independent quality
23 assurance provider.

24 (B) 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 (3) CORRECTION.—Rebates under subsection
13 (a) shall be made subject to the following conditions:

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

23 (B) A subsequent quality assurance visit
24 shall be conducted to evaluate the remedy not

1 later than 7 days after notification that the de-
2 fect has been corrected.

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

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

12 (f) PRODUCTS PURCHASED WITHOUT INSTALLATION
13 SERVICES.—

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

18 (A) qualify for a tax credit under section
19 25C of the Internal Revenue Code of 1986, but
20 with respect to which no claim for such a tax
21 credit has been made;

22 (B) are purchased by a homeowner for in-
23 stallation by the homeowner in a home identi-
24 fied by its address by the homeowner; and

1 (C) are identified and attributed to that
2 home in a rebate submission by the vendor to
3 a rebate aggregator.

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

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

13 (g) 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. 6. GOLD STAR HOME ENERGY RETROFIT PROGRAM.**

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

1 (b) ENERGY SAVINGS.—

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

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

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

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

20 (B)(i) the use of a whole home simulation
21 software program that has been approved under
22 RESNET Publication No. 06–001 (or a suc-
23 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;

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 and

6 (F) maintenance of a list of qualified qual-
7 ity assurance providers and minimum standards
8 for such quality assurance providers.

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

15 (b) QUALITY ASSURANCE PROGRAMS.—

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

18 (A) as part of a State energy conservation
19 plan established under part D of title III of the
20 Energy Policy and Conservation Act (42 U.S.C.
21 6321 et seq.);

22 (B) to be managed by the office or the des-
23 ignee of the office—

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

4 (ii) to the maximum extent prac-
5 ticable, that is conducting an existing en-
6 ergy efficiency program; and

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

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

17 (A) withhold further quality assurance
18 funds from the State; and

19 (B) require that quality assurance pro-
20 viders operating in the State be overseen by a
21 national quality assurance program manager se-
22 lected by the Secretary.

23 (3) IMPLEMENTATION.—A State that receives a
24 grant under this Act may implement a quality assur-
25 ance program through the State or an independent

1 quality assurance provider designated by the State,
2 including—

3 (A) an energy service company;

4 (B) an electric utility;

5 (C) a natural gas utility;

6 (D) an independent administrator des-
7 ignated by the State; or

8 (E) a unit of local government.

9 **SEC. 8. REPORT.**

10 (a) IN GENERAL.—Not later than 1 year after the
11 date of enactment of this Act, the Secretary shall submit
12 to the Committee on Energy and Natural Resources of
13 the Senate and the Committee on Energy and Commerce
14 of the House of Representatives a report on this Act.

15 (b) CONTENTS.—The report shall include a descrip-
16 tion of—

17 (1) the energy savings produced as a result of
18 this Act;

19 (2) the direct and indirect employment created
20 as a result of the programs supported under this
21 Act;

22 (3) the specific entities implementing the en-
23 ergy efficiency programs;

24 (4) the beneficiaries who received the efficiency
25 improvements;

1 (5) the manner in which funds provided under
2 this Act were used;

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

8 (7) the results of verification requirements; and

9 (8) any other information the Secretary con-
10 siderers appropriate.

11 (c) REQUIRED INFORMATION.—

12 (1) REQUIREMENT.—Rebate aggregators and
13 States participating in the Home Star Retrofit Re-
14 bate Program shall provide to the Secretary such in-
15 formation as the Secretary requires to prepare the
16 report required under this section.

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

1 **SEC. 9. TREATMENT OF REBATES.**

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

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

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

10 (b) NOTICE.—A participating contractor shall pro-
11 vide notice to a homeowner of the provisions of subsection
12 (a) before eligible work is performed in the home of the
13 homeowner.

14 **SEC. 10. PUBLIC INFORMATION CAMPAIGN.**

15 Not later than 60 days after the date of enactment
16 of this Act, the Administrator, in consultation with the
17 States and the Secretary, shall develop and implement a
18 public education campaign that describes—

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

20 (2) the availability of rebates for the installa-
21 tion of qualifying energy savings measures under the
22 Silver Star Home Energy Retrofit Program and for
23 whole home energy savings under the Gold Star
24 Home Energy Retrofit Program.

25 **SEC. 11. PENALTIES.**

26 (a) IN GENERAL.—The Secretary may—

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

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

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

9 (1) \$15,000 for each violation; or

10 (2) 3 times the value of any associated rebate
11 under this Act.

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

13 (a) DEFINITIONS.—In this section:

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

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

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

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

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

7 (3) QUALIFIED LOAN PROGRAM MECHANISM.—
8 The term “qualified loan program mechanism”
9 means a mechanism for the establishment and oper-
10 ation of a loan program that is—

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

13 (B) principally funded—

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

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

19 (b) ESTABLISHMENT.—The Secretary shall establish
20 a Home Star Energy Efficiency Loan Program under
21 which the Secretary shall make funds available to States
22 to support financial assistance provided by qualified fi-
23 nancing entities for the installation of qualifying energy
24 savings measures under the Silver Star Home Energy Ret-

1 rofit Program or whole home energy savings under the
2 Gold Star Home Energy Retrofit Program.

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

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

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

15 (3) establish standard underwriting criteria to
16 determine the eligibility of Home Star Loan Pro-
17 gram applicants, which criteria shall be consistent
18 with—

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

23 (B) with respect to secured loans or other
24 forms of financial assistance, commercially rec-
25 ognized best practices applicable to the form of

1 financial assistance being provided (as deter-
2 mined by the designated entity administering
3 the Home Star Loan Program in the State).

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

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

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

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

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

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

23 (i) on-utility-bill repayment;

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

- 1 (iii) municipal service charges;
- 2 (iv) energy or energy efficiency serv-
- 3 ices contracts;
- 4 (v) energy efficiency power purchase
- 5 agreements;
- 6 (vi) unsecured loans applying the un-
- 7 derwriting requirements of the energy loan
- 8 program of the Federal National Mortgage
- 9 Association; or
- 10 (vii) alternative contractual repayment
- 11 mechanisms that have been demonstrated
- 12 to have appropriate risk mitigation fea-
- 13 tures; and

14 (3) will provide, in a timely manner, all infor-

15 mation regarding the administration of the Home

16 Star Loan Program as the Secretary may require to

17 permit the Secretary to meet the program evaluation

18 requirements of subsection (h).

19 (f) USE OF FUNDS.—Funds made available to States

20 for carrying out the Home Star Loan Program may be

21 used to support financing mechanisms offered by qualified

22 financing entities to eligible participants, including—

- 23 (1) interest rate reductions to interest rates as
- 24 low as 0 percent;

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

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

5 (4) other debt instruments (excluding
6 securitization instruments) necessary—

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

9 (B) to support widespread deployment of
10 energy efficiency programs.

11 (g) USE OF REPAID FUNDS.—In the case of a revol-
12 ving loan fund described in subsection (f)(3), a qualified
13 financing entity may use funds repaid by eligible partici-
14 pants under the Home Star Loan Program to provide fi-
15 nancial assistance for additional eligible participants for
16 installations described in subsection (b) in a manner that
17 is consistent with this section.

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

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

23 (2) how many jobs have been created through
24 the Home Star Loan Program, directly and indi-
25 rectly;

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

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

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

10 **SEC. 13. FUNDING.**

11 (a) AUTHORIZATION OF APPROPRIATIONS.—

12 (1) IN GENERAL.—Subject to subsection (j),
13 there are authorized to be appropriated to carry out
14 this Act \$6,000,000,000 for the period of fiscal
15 years 2010 and 2011, to remain available until ex-
16 pended.

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

1 (b) GRANTS TO STATES.—

2 (1) IN GENERAL.—Except as otherwise pro-
3 vided in this subsection, of the amount provided
4 under subsection (a), not more than 9 percent is au-
5 thORIZED to be appropriated to the Secretary for pro-
6 viding grants to States, to be used for—

7 (A) administrative costs of carrying out
8 this Act;

9 (B) development of quality assurance
10 frameworks;

11 (C) oversight of quality assurance pro-
12 grams;

13 (D) establishment and delivery of financing
14 mechanisms, in accordance with paragraph (2);
15 and

16 (E) coordination with existing residential
17 retrofit programs and infrastructure develop-
18 ment to assist deployment of the Home Star
19 Retrofit Rebate Program.

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

23 (3) DISTRIBUTION TO STATES.—

24 (A) PROVISION OF FUNDS.—Not later than
25 30 days after the date of enactment of this Act,

1 the Secretary shall provide to the State energy
2 offices, or such other State entities as are des-
3 ignated by the Governor, of States that are car-
4 rying out responsibilities under section 7, 25
5 percent of the funds described in paragraph (1).

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

12 (4) WITHHOLDING OF FUNDS.—To the extent
13 that the Secretary assumes the responsibilities of a
14 State under section 3(i), the Secretary shall withhold
15 the portion of the funds otherwise transferrable to
16 the State under this section that are attributable to
17 those State responsibilities.

18 (5) INDIAN TRIBES.—

19 (A) IN GENERAL.—If an Indian tribe acts
20 in place of a State for purposes of carrying out
21 the responsibilities of the State under this Act
22 with respect to its tribal lands pursuant to sec-
23 tion 3(h), the Secretary shall transfer to that
24 Indian tribe, instead of the State, the propor-

1 tionate share of funds otherwise transferrable
2 to the State under this section.

3 (B) PROPORTIONATE SHARE.—For pur-
4 poses of subparagraph (A), the proportionate
5 share shall be calculated on the basis of the
6 percentage of the population of the State that
7 resides within the tribal lands.

8 (c) QUALITY ASSURANCE COSTS.—

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

16 (2) DISTRIBUTION TO QUALITY ASSURANCE
17 PROVIDERS OR REBATE AGGREGATORS.—The Sec-
18 retary shall use funds provided under this subsection
19 to compensate quality assurance providers and re-
20 bate aggregators for services provided under this
21 Act.

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

24 (A)(i) in the case of the Silver Star Home
25 Energy Retrofit Program—

1 (I) not more than \$25 to rebate
2 aggregators per rebate review and proc-
3 essing under the program; and

4 (II) \$150 to quality assurance pro-
5 viders for each field inspection conducted
6 under the program; and

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

9 (I) not more than \$35 to rebate
10 aggregators for each rebate review and
11 processing under the program; and

12 (II) \$300 to quality assurance pro-
13 viders for each field inspection conducted
14 under the program; or

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

21 (d) TRACKING OF REBATES AND EXPENDITURES.—

22 Of the amount provided under subsection (a), not more
23 than 2.5 percent are authorized to be appropriated to the
24 Secretary to be used for costs associated with tracking re-
25 bates and expenditures through the Federal Rebate Proc-

1 essing System under this Act, and related administrative
2 costs incurred by the Secretary.

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

9 (f) SILVER STAR HOME ENERGY RETROFIT PRO-
10 GRAM.—

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

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

24 (g) GOLD STAR HOME ENERGY RETROFIT PRO-
25 GRAM.—Of the amount provided under subsection (a),

1 after subtracting the amounts authorized in subsections
2 (b), (d), and (e) of this section, one-third of the remainder
3 is authorized to be appropriated to the Secretary to be
4 used to provide rebates and other payments authorized
5 under the Gold Star Home Energy Retrofit Program.

6 (h) RETURN OF UNDISBURSED FUNDS.—

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

14 (2) GOLD STAR HOME ENERGY RETROFIT PRO-
15 GRAM.—If the Secretary has not disbursed all the
16 funds available for rebates under the Gold Star
17 Home Energy Retrofit Program by the date that is
18 2 years after the date of enactment of this Act, any
19 undisbursed funds shall be returned to the Treasury.

