

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
OFFERED BY MR. WAXMAN OF CALIFORNIA**

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 (A) that is accredited—

9 (i) by the BPI; or

10 (ii) under other standards approved
11 by the Secretary, in consultation with the
12 Administrator; and

13 (B) effective 1 year after the date of enact-
14 ment of this Act, that uses a certified work-
15 force.

16 (2) ADMINISTRATOR.—The term “Adminis-
17 trator” means the Administrator of the Environ-
18 mental Protection Agency.

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

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

8 (A) an applicable third party skills stand-
9 ard established by—

10 (i) BPI;

11 (ii) North American Technician Excel-
12 lence;

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

15 (B) an applicable third party skills stand-
16 ard established in the State in which the work
17 is to be performed, pursuant to a program oper-
18 ated by the Home Builders Institute in connec-
19 tion with Ferris State University, to be effective
20 30 days after notice is provided by those orga-
21 nizations to the Secretary that such program
22 has been established in such State, except to
23 the extent that the Secretary determines within
24 30 days of such notice that the standard or cer-
25 tification is incomplete; or

1 (C) 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 FRAMEWORK.—The
6 term “quality assurance framework” means a policy
7 structure adopted by a State to develop high stand-
8 ards for ensuring quality in ongoing energy effi-
9 ciency retrofit activities in which the State has a
10 role, including operation of the quality assurance
11 program, while creating significant employment op-
12 portunities, in particular for targeted workers.

13 (18) QUALITY ASSURANCE PROGRAM.—

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

20 (B) INCLUSIONS.—For purposes of sub-
21 paragraph (A), delivery of retrofit programs in-
22 cludes field inspections required under this Act,
23 with the consent of participating consumers and
24 without delaying rebate payments to partici-
25 pating contractors and vendors.

1 (19) QUALITY ASSURANCE PROVIDER.—

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

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

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

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

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

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

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

7 (24) STATE.—The term “State” means—

8 (A) a State;

9 (B) the District of Columbia;

10 (C) the Commonwealth of Puerto Rico;

11 (D) Guam;

12 (E) American Samoa;

13 (F) the United States Virgin Islands;

14 (G) the Northern Mariana Islands; and

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

17 (25) TARGETED WORKER.—The term “targeted
18 worker” means an individual who is unemployed or
19 underemployed and of an employable age and a resi-
20 dent of an area with high or chronic unemployment
21 and low median household incomes, as defined by
22 the Secretary in consultation with the Secretary of
23 Labor.

24 (26) WATER UTILITY.—The term “water util-
25 ity” means any State or local agency that delivers

1 or sells water at wholesale or retail through an engi-
2 neered distribution system.

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

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

6 (b) FEDERAL REBATE PROCESSING SYSTEM.—

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

11 (A) establish a Federal Rebate Processing
12 System which shall serve as a database and in-
13 formation technology system to allow rebate
14 aggregators to submit claims for reimbursement
15 using standard data protocols;

16 (B) establish a national retrofit website
17 that provides information on the Home Star
18 Retrofit Rebate Program, including how to de-
19 termine whether particular energy efficiency
20 measures are eligible for rebate and how to par-
21 ticipate in the program; and

22 (C) publish model forms and data proto-
23 cols for use by contractors, vendors, and quality
24 assurance providers to comply with the require-
25 ments of this Act.

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

5 (c) QUALIFIED CONTRACTOR REQUIREMENTS.—A
6 qualified contractor may perform retrofit work for which
7 rebates are authorized under this Act only if it executes
8 a Home Star participation agreement with a rebate
9 aggregator affirming that it meets applicable require-
10 ments, including—

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

15 (2) insurance coverage of at least \$1,000,000
16 for general liability, and for such other purposes and
17 in such other amounts as may be required by the
18 State;

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

21 (A) be free of significant defects;

22 (B) be installed in accordance with the
23 specifications of the manufacturer; and

1 (C) perform properly for a period of at
2 least 1 year after the date of completion of the
3 work;

4 (4) agreeing to pass through to the owner of a
5 home, through a discount, the full economic value of
6 all rebates received under this Act with respect to
7 the home;

8 (5) agreeing to provide to the homeowner a no-
9 tice of—

10 (A) the amount of the rebate the con-
11 tractor intends to apply for with respect to the
12 eligible work under this Act, before a contract
13 is executed between the contractor and a home-
14 owner covering the eligible work; and

15 (B) the means by which the rebate will be
16 passed through as a discount to the homeowner;

17 (6) all requirements of an applicable State qual-
18 ity assurance framework by and after the date that
19 is one year after the date of enactment of this Act;
20 and

21 (7) any other appropriate requirements as de-
22 termined by the Secretary, in consultation with the
23 Administrator.

24 (d) ADMINISTRATIVE AND TECHNICAL SUPPORT.—

25 Subject to section 13(b) and (c), beginning not later than

1 30 days after the date of enactment of this Act, the Sec-
2 retary shall provide such administrative and technical sup-
3 port to rebate aggregators and States as is necessary to
4 carry out this Act.

5 (e) ADMINISTRATION.—

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

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

18 (3) CONSULTANTS.—Notwithstanding section
19 303 of the Federal Property and Administrative
20 Services Act of 1949 (41 U.S.C. 253), the Secretary
21 may retain such consultants on a noncompetitive
22 basis as the Secretary considers necessary to carry
23 out this Act.

24 (4) CONTRACTING.—In carrying out this Act,
25 the Secretary may waive all or part of any provision

1 of the Competition in Contracting Act of 1984 (Pub-
2 lic Law 98–369; 98 Stat. 1175), an amendment
3 made by that Act, or the Federal Acquisition Regu-
4 lation on a determination that circumstances make
5 compliance with the provisions contrary to the public
6 interest.

7 (5) REGULATIONS.—

8 (A) IN GENERAL.—Notwithstanding sec-
9 tion 553 of title 5, United States Code, the Sec-
10 retary may issue regulations that the Secretary,
11 in the sole discretion of the Secretary, deter-
12 mines necessary to—

13 (i) establish;

14 (ii) achieve full operational status
15 within 60 days after the date of enactment
16 of this Act for; or

17 (iii) carry out,

18 the Home Star Retrofit Rebate Program.

19 (B) TIMING.—If the Secretary determines
20 that regulations described in subparagraph (A)
21 are necessary, the regulations shall be issued
22 not later than 60 days after such determina-
23 tion.

1 (C) EXCEPTION.—(i) The Secretary shall
2 not utilize the authority provided under this
3 paragraph to—

4 (I) develop, adopt, or implement a
5 public labeling system that rates and com-
6 pares the energy performance of one home
7 with another; or

8 (II) require the public disclosure of an
9 energy performance evaluation or rating
10 developed for any specific home.

11 (ii) Nothing in this subparagraph shall
12 preclude—

13 (I) the computation, collection, or use,
14 by the Secretary, rebate aggregators, qual-
15 ity assurance providers, or States for the
16 purposes of carrying out sections 6 and 7,
17 of information on the rating and compari-
18 son of the energy performance of homes
19 with and without energy efficiency features
20 or on energy performance evaluation or
21 rating;

22 (II) the use and publication of aggre-
23 gate data (without identifying individual
24 homes or participants) based on informa-
25 tion referred to in subclause (I) to deter-

1 mine or demonstrate the performance of
2 the Home Star program; or

3 (III) the provision of information re-
4 ferred to in subclause (I) with respect to a
5 specific home—

6 (aa) to the State, homeowner,
7 quality assurance provider, rebate
8 aggregator, or contractor performing
9 retrofit work on that home, or an en-
10 tity providing Home Star services, as
11 necessary to enable carrying out this
12 Act; or

13 (bb) for purposes of prosecuting
14 fraud and abuse.

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

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

23 (f) PROGRAM REVIEW.—Not later than 180 days
24 after the date of enactment of this Act, the Secretary shall
25 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 (1) 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 (n) HEALTH AND SAFETY REQUIREMENTS.—Noth-
19 ing in this Act shall relieve any contractor from the obliga-
20 tion to comply with applicable Federal, State, and local
21 health and safety code requirements.

22 **SEC. 4. REBATE AGGREGATORS.**

23 (a) IN GENERAL.—The Secretary shall develop a net-
24 work of rebate aggregators that can facilitate the delivery
25 of rebates to participating contractors and vendors, to re-

1 imburse those contractors and vendors for discounts pro-
2 vided to homeowners for energy efficiency retrofit work.
3 The Secretary shall approve or deny an application from
4 a person seeking to become a rebate aggregator not later
5 than 30 days after receiving such application. The Sec-
6 retary may disqualify any rebate aggregator that fails to
7 meet its obligations under this Act in a timely and com-
8 petent manner.

9 (b) AVAILABILITY.—Not later than 30 days after the
10 date of enactment of this Act, the Secretary shall identify
11 at least 1 rebate aggregator in each State ready and able
12 to accept rebate applications from any qualified con-
13 tractor. Not later than 90 days after such date of enact-
14 ment, the Secretary shall ensure that rebate aggregation
15 services are available to all homeowners in the United
16 States at the lowest reasonable cost.

17 (c) RESPONSIBILITIES.—Rebate aggregators shall—

18 (1) review each proposed rebate application for
19 completeness and accuracy;

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

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

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

6 (5) maintain appropriate accounting for rebate
7 applications processed, and their disposition;

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

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

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

17 (1) shall be—

18 (A) a Home Performance with Energy
19 Star partner;

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

23 (C) a Federal power marketing administra-
24 tion or the Tennessee Valley Authority;

1 (D) an electric utility, natural gas utility,
2 or water utility administering or offering a resi-
3 dential energy efficiency retrofit program; or

4 (E) an entity—

5 (i) with corporate status or status as
6 a State or local government;

7 (ii) who can demonstrate adequate fi-
8 nancial capability to manage a rebate
9 aggregator program, as evidenced by au-
10 dited financial records; and

11 (iii) whose participation in the pro-
12 gram, in the judgment of the Secretary,
13 would not disrupt existing residential ret-
14 rofit programs in the States that are car-
15 rying out the Home Star Retrofit Rebate
16 Program under this Act;

17 (2) must be able to demonstrate—

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

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

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

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

7 (e) PUBLIC UTILITY COMMISSION EFFICIENCY TAR-
8 GETS.—The Secretary shall—

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

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

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

17 (a) IN GENERAL.—During the first year after the
18 date of enactment of this Act, a Silver Star Home Energy
19 Retrofit Program rebate shall be awarded, subject to the
20 maximum amount limitations under subsection (d)(4), to
21 participating contractors and vendors, to reimburse them
22 for discounts provided to the owner of the home for the
23 retrofit work, for the installation of energy savings meas-
24 ures—

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

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

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

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

11 (1) Whole house air sealing measures, including
12 interior and exterior measures, utilizing sealants,
13 caulks, polyurethane foams, gaskets, weather-strip-
14 ping, mastics, and other building materials in ac-
15 cordance with BPI standards or other procedures
16 approved by the Secretary.

17 (2) Attic insulation measures that—

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

23 (B) add at least R-19 insulation to exist-
24 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 the total conditioned
10 footprint of the house.

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 and skylights in a home, whichever
19 is less, with—

20 (A) windows that—

21 (i) are certified by the National Fen-
22 estration Rating Council; and

23 (ii) comply with criteria applicable to
24 windows and skylights under section 25(c)
25 of the Internal Revenue Code of 1986; or

1 (B) skylights that comply with the 2010
2 Energy Star specification for skylights.

3 (7) Door replacement that replaces at least 1
4 exterior door with doors that comply with the 2010
5 Energy Star specification for doors.

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

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

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

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

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

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

21 (I) the new system—

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

24 (bb) in the case of a furnace or
25 boiler, has a distribution system (such

1 as ducts or vents) that allows heat to
2 reach all or most parts of the home
3 and qualifies for Phase 2 of the EPA
4 Voluntary Program for Hydronic
5 Heaters; and

6 (cc) in the case of a stove, re-
7 places an existing wood or wood pellet
8 stove and is certified by the EPA, and
9 a voucher is provided by the installer
10 or other responsible party certifying
11 that the old stove has been removed
12 and rendered inoperable or recycled at
13 an appropriate recycling facility; and

14 (II) an accredited independent labora-
15 tory recognized by the EPA certifies that
16 the new system—

17 (aa) has thermal efficiency (lower
18 heating value) of at least 75 percent
19 for stoves and at least 90 percent for
20 furnaces and boilers; and

21 (bb) has particulate emissions of
22 less than 3.0 grams per hour for
23 stoves, and less than 0.32 lbs/
24 mmBTU for furnaces and boilers.

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 air-source heat pump re-
7 placement 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 an air-source heat
14 pump, SEER 15, EER 12.5, and HSPF
15 8.5.

16 (10) Heating or cooling system replacement
17 with an Energy Star qualified geothermal heat pump
18 that meets Tier 2 efficiency requirements and that
19 is installed in accordance with ANSI/ACCA Stand-
20 ard 5 QI-2007.

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

23 (A) a natural gas or propane condensing
24 storage water heater with an energy factor of

1 0.80 or more or a thermal efficiency of 90 per-
2 cent or more;

3 (B) a tankless natural gas or propane
4 water heater with an energy factor of at least
5 .82;

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

8 (D) an indirect water heater with an insu-
9 lated storage tank that—

10 (i) has a storage capacity of at least
11 30 gallons and is insulated to at least R-
12 16; and

13 (ii) is installed in conjunction with a
14 qualifying boiler described in paragraph
15 (8);

16 (E) an electric water heater with an energy
17 factor of 2.0 or more;

18 (F) an electric tankless water heater with
19 an efficiency factor of .96 or more, that oper-
20 ates on not greater than 25 kilowatts;

21 (G) a solar hot water system that—

22 (i) is certified by the Solar Rating and
23 Certification Corporation; or

24 (ii) meets technical standards estab-
25 lished by the State of Hawaii; or

1 (H) a water heater installed in conjunction
2 with a qualifying geothermal heat pump de-
3 scribed in paragraph (10) that provides domes-
4 tic water heating through the use of a
5 desuperheater or demand water heating capa-
6 bility.

7 (12) Storm windows that—

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

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

14 (C) comply with any procedures that the
15 Secretary may set for storm windows and their
16 installation.

17 (13) Window film that is installed on at least
18 8 exterior windows, doors, or skylights, or 75 per-
19 cent of the total exterior square footage of glass in
20 a home, whichever is less, with window films that—

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

23 (B) have—

24 (i) a solar heat gain coefficient of
25 0.43 or less with a visible light-to-solar

1 heat gain coefficient of at least 1.1 in 2009
2 International Energy Conservation Code
3 climate zones 1-3; or

4 (ii) a solar heat gain coefficient of
5 0.43 or less with a visible light light-to-
6 solar heat gain coefficient of at least 1.1
7 and a U-factor of 0.40 or less as installed
8 in 2009 International Energy Conservation
9 Code climate zones 4-8.

10 (c) INSTALLATION COSTS.—Measures described in
11 paragraphs (1) through (13) of subsection (b) shall in-
12 clude expenditures for labor and other installation-related
13 costs, including venting system modification and conden-
14 sate disposal, properly allocable to the onsite preparation,
15 assembly, or original installation of the component.

16 (d) AMOUNT OF REBATE.—

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

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

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

3 (B) wall insulation described in subsection
4 (b)(4).

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

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

11 (B) \$250 for a maximum of 1 natural gas
12 or propane storage water heater described in
13 subsection (b)(11)(C) for each home;

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

16 (D) \$50 for each storm window described
17 in subsection (b)(12), with a minimum of 5
18 storm windows and a maximum of 12;

19 (E) \$250 each for a maximum of 4 electric
20 tankless water heaters described in subsection
21 (b)(11)(F) for each home; and

22 (F) \$500 for window film described in sub-
23 section (b)(13).

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

4 (A) \$3,000;

5 (B) 50 percent of the total cost of the in-
6 stalled measures; or

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

13 (e) VERIFICATION AND CORRECTION OF WORK.—

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

20 (2) VERIFICATION.—

21 (A) PERCENTAGE OF RETROFITS
22 VERIFIED.—

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

1 (I) 20 percent of the retrofits
2 performed by each qualified con-
3 tractor under this section with respect
4 to a rebate described in subsection (a)
5 shall be randomly subject to field
6 verification by an independent quality
7 assurance provider of all work associ-
8 ated with the retrofit; and

9 (II) in the case of a qualified
10 contractor that uses a certified work-
11 force, 10 percent of the retrofits per-
12 formed by that contractor under this
13 section with respect to a rebate de-
14 scribed in subsection (a) shall be ran-
15 domly subject to field verification by
16 an independent quality assurance pro-
17 vider of all work associated with the
18 retrofit.

19 (ii) EXCEPTIONS.—In the case of a
20 qualified contractor whose previous retrofit
21 work—

22 (I) the Secretary has found to
23 fail to comply with the requirements
24 of this section, the Secretary may es-
25 tablish a higher percentage of the ret-

1 rofits performed by that contractor
2 under this section with respect to a
3 rebate described in subsection (a) to
4 be subject to field verification by an
5 independent quality assurance pro-
6 vider; and

7 (II) the Secretary has found to
8 successfully comply with the require-
9 ments of this section, the Secretary
10 may establish a lower percentage of
11 the retrofits performed by that con-
12 tractor under this section with respect
13 to a rebate described in subsection (a)
14 to be subject to field verification by an
15 independent quality assurance pro-
16 vider.

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

1 Verifications under this subparagraph shall be
2 in addition to those conducted under subpara-
3 graph (A), and shall be corrected in accordance
4 with paragraph (3).

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

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

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

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

24 (4) ACCESS TO HOME.—In order to be eligible
25 for a discount from a contractor or vendor for which

1 a rebate is provided under subsection (a), a home-
2 owner shall agree to permit such access to the home,
3 upon reasonable notice and at a mutually convenient
4 time, as is necessary to verify and correct retrofit
5 work.

6 (f) PRODUCTS PURCHASED WITHOUT INSTALLATION
7 SERVICES.—

8 (1) IN GENERAL.—A Silver Star Home Energy
9 Retrofit Program rebate shall be awarded for attic,
10 wall, and crawl space insulation and air-sealing
11 products that—

12 (A)(i) in the case of insulation, qualify for
13 a tax credit under section 25C of the Internal
14 Revenue Code of 1986, but with respect to
15 which no claim for such a tax credit has been
16 made; and

17 (ii) in the case of air sealing products, are
18 sealants, caulks, polyurethane foams, gaskets,
19 weather-stripping, mastics, or other air sealing
20 products described in subsection (b)(1);

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

24 (C) are accompanied by educational mate-
25 rials on proper installation of the products, in-

1 including materials emphasizing the importance
2 of air sealing when insulating; and

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

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

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

15 (g) REVIEW.—

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

23 (2) INCORRECT PAYMENT.—On a determination
24 of the Secretary under paragraph (1) that a pay-
25 ment was made incorrectly to a party, or that suffi-

1 cient information was not submitted to the Federal
2 Rebate Processing System to enable such determina-
3 tion, the Secretary—

4 (A) may—

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

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

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

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

19 (a) IN GENERAL.—A Gold Star Home Energy Ret-
20 rofit Program rebate shall be awarded, subject to sub-
21 section (b), to participating accredited contractors and
22 vendors, to reimburse them for discounts provided to the
23 owner of the home for the retrofit work, for retrofits that
24 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) ELIGIBLE MEASURES.—Rebates may be provided
4 under this section for —

5 (1) any measure listed as eligible for Silver Star
6 rebates in section 5; and

7 (2) any other energy-saving measure, such as
8 home energy management systems, high-efficiency
9 appliances, highly reflective roofing, awnings, can-
10 opies, and similar external fenestration attachments,
11 automatic boiler water temperature controllers, and
12 mechanical air circulation and heat exchangers in a
13 passive-solar home—

14 (A) that can be demonstrated, when in-
15 stalled and operated as intended, to improve en-
16 ergy efficiency; and

17 (B) for which an energy efficiency con-
18 tribution can be determined with confidence.

19 (c) ENERGY SAVINGS.—

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

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

4 (A)(i) the use of a whole home simulation
5 software program that has been approved under
6 the Weatherization Assistance Program for
7 Low-Income Persons established under part A
8 of title IV of the Energy Conservation and Pro-
9 duction Act (42 U.S.C. 6861 et seq.); or

10 (ii) a equivalent performance test estab-
11 lished by the Secretary, in consultation with the
12 Administrator; or

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

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

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

22 (iv) a HERS rating system approved or re-
23 quired by the law of the State in which the
24 home is located.

25 (3) MONITORING.—The Secretary—

1 (A) shall continuously monitor the software
2 programs used for determining rebates under
3 this section; and

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

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

8 (A) establish simulation software program
9 assumptions for carrying out paragraph (2);

10 (B) require compliance with software pro-
11 gram performance tests covering—

- 12 (i) mechanical system performance;
13 (ii) duct distribution system efficiency;
14 (iii) hot water performance; or
15 (iv) other measures; and

16 (C) require the simulation of pre-retrofit
17 energy usage to be determined by metered pre-
18 retrofit energy usage.

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

1 (d) AMOUNT OF REBATE.—Subject to subsection
2 (e)(2), the amount of a rebate provided under this section
3 shall be—

4 (1) \$3,000 for a 20-percent reduction in whole
5 home energy consumption; and

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

8 (A) \$8,000; or

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

10 (e) VERIFICATION AND CORRECTION OF WORK.—

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

17 (2) VERIFICATION.—

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

24 (i) 15 percent; or

1 (ii) in the case of work performed by
2 an accredited contractor using a certified
3 workforce, 10 percent.

4 (B) VERIFICATION NOT REQUIRED.—A
5 home shall not be subject to field verification
6 under subparagraph (A) if—

7 (i) a post-retrofit home energy rating
8 is conducted by an entity that is an eligible
9 certifier in accordance with—

10 (I) RESNET Publication No.
11 06–001 (or a successor publication
12 approved by the Secretary);

13 (II) a State-certified equivalent
14 rating network, as specified in IRS
15 Notice 2008–35; or

16 (III) a HERS rating system re-
17 quired by the law of the State in
18 which the home is located;

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

1 (iii) the rating includes field
2 verification of all measures for which re-
3 bates are being provided.

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

17 (D) ACCESS TO HOME.—In order to be eli-
18 gible for a discount from a contractor or vendor
19 for which a rebate is provided under this sec-
20 tion, a homeowner shall agree to permit such
21 access to the home, upon reasonable notice and
22 at a mutually convenient time, as is necessary
23 to verify and correct retrofit work.

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

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

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

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

20 (f) REVIEW.—

21 (1) IN GENERAL.—The Secretary shall deter-
22 mine whether information submitted to the Federal
23 Rebate Processing System with respect to a rebate
24 was complete, and on the basis of that information
25 and other information available to the Secretary,

1 shall determine whether the requirements of this sec-
2 tion were met in all respects.

3 (2) INCORRECT PAYMENT.—On a determination
4 of the Secretary under paragraph (1) that a pay-
5 ment was made incorrectly to a party, or that suffi-
6 cient information was not submitted to the Federal
7 Rebate Processing System to enable such determina-
8 tion, the Secretary—

9 (A) may—

10 (i) recoup the amount of the incorrect
11 payment; or

12 (ii) withhold the amount of the incor-
13 rect payment from a payment made to the
14 party pursuant to a subsequent request;
15 and

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

23 **SEC. 7. QUALITY ASSURANCE.**

24 (a) QUALITY ASSURANCE FRAMEWORK.—

1 (1) IN GENERAL.—States that elect to carry
2 out a quality assurance program pursuant to sub-
3 section (b) shall plan, develop, and implement a
4 quality assurance framework. The Secretary shall
5 promptly solicit the submission of model State qual-
6 ity assurance framework plans consistent with the
7 requirements of this section and, not later than 60
8 days after the date of enactment of this Act, shall
9 approve one or more such model plans that incor-
10 porate nationally consistent high standards for op-
11 tional use by States. Not later than 180 days after
12 the date of enactment of this Act, each State elect-
13 ing to develop a quality assurance framework shall
14 submit its plan to the Secretary, who shall then ap-
15 prove or reject such plan within 30 days, providing
16 a detailed statement of deficiencies if the plan is re-
17 jected. If a State’s plan is rejected, that State may
18 resubmit its plan within 30 days.

19 (2) IMPLEMENTATION.—A State shall—

20 (A) develop a quality assurance framework
21 in consultation with industry stakeholders, in-
22 cluding representatives of efficiency program
23 managers, contractors, community and work-
24 force organizations, and environmental, energy
25 efficiency, and labor organizations; and

1 (B) implement the quality assurance
2 framework not later than one year after the
3 date of enactment of this Act.

4 (3) COMPONENTS.—The quality assurance
5 framework established under this subsection shall in-
6 clude—

7 (A) minimum standards for accredited con-
8 tractors, including—

9 (i) compliance with applicable Fed-
10 eral, State, and local laws;

11 (ii) use of a certified workforce;

12 (iii) maintenance of records needed to
13 verify compliance; and

14 (iv) use of independent contractors
15 only when appropriately classified as such
16 pursuant to Revenue ruling 87-41 and sec-
17 tion 530(d) of the Revenue Act of 1978
18 and relevant State law;

19 (B) maintenance of a list of accredited
20 contractors;

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

- 1 (D) targets and realistic plans for—
- 2 (i) the recruitment of minority and
- 3 women-owned small business enterprises;
- 4 (ii) the employment of graduates of
- 5 training programs that primarily serve tar-
- 6 geted workers;
- 7 (iii) the employment of targeted work-
- 8 ers; and
- 9 (iv) the availability of financial assist-
- 10 ance under the Home Star Loan Program
- 11 to—
- 12 (I) public use microdata areas
- 13 that have a poverty rate of 12 percent
- 14 or more; and
- 15 (II) homeowners served by units
- 16 of local government in jurisdictions
- 17 that have an unemployment rate that
- 18 is 2 percent higher than the national
- 19 unemployment rate;
- 20 (E) a plan to link workforce training for
- 21 energy efficiency retrofits with training for the
- 22 broader range of skills and occupations in con-
- 23 struction or emerging clean energy industries;
- 24 (F) quarterly reports to the Secretary on
- 25 the progress of implementation of the quality

1 assurance framework and its success in meeting
2 its targets and plans; and

3 (G) maintenance of a list of qualified qual-
4 ity assurance providers and minimum standards
5 for such quality assurance providers.

6 (4) NONCOMPLIANCE.—If the Secretary deter-
7 mines that a State that has elected to implement a
8 quality assurance program, but has failed to plan,
9 develop, or implement a quality assurance frame-
10 work in accordance with this section, the Secretary
11 shall suspend further grants for State administra-
12 tion pursuant to section 13(b)(1).

13 (b) QUALITY ASSURANCE PROGRAMS.—

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

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

20 (B) to be managed by the office or the des-
21 ignee of the office—

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

1 (ii) to the maximum extent prac-
2 ticable, that is conducting an existing en-
3 ergy efficiency program; and

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

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

14 (A) withhold further quality assurance
15 funds from the State; and

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

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

25 (A) an energy service company;

- 1 (B) an electric utility;
- 2 (C) a natural gas utility;
- 3 (D) an independent administrator des-
- 4 igned by the State; or
- 5 (E) a unit of local government.

6 **SEC. 8. REPORTS.**

7 (a) IN GENERAL.—The Secretary shall submit to the

8 Committee on Energy and Natural Resources of the Sen-

9 ate and the Committee on Energy and Commerce of the

10 House of Representatives a report on this Act—

11 (1) not later than 1 year after the date of en-

12 actment of this Act; and

13 (2) not later than the earlier of—

14 (A) 2 years after the date of enactment of

15 this Act; or

16 (B) December 31, 2012.

17 (b) CONTENTS.—The report shall include a descrip-

18 tion of—

19 (1) the energy savings produced as a result of

20 this Act;

21 (2) the direct and indirect employment created

22 as a result of the programs supported under this

23 Act;

24 (3) the specific entities implementing the en-

25 ergy efficiency programs;

1 (4) the beneficiaries who received the efficiency
2 improvements;

3 (5) the manner in which funds provided under
4 this Act were used;

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

10 (7) the results of verification requirements; and

11 (8) any other information the Secretary con-
12 siders appropriate.

13 (c) REQUIRED INFORMATION.—

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

19 (2) NONCOMPLIANCE.—If the Secretary deter-
20 mines that a rebate aggregator or State has not pro-
21 vided the information required under paragraph (1),
22 the Secretary shall provide to the rebate aggregator
23 or State a period of at least 90 days to provide the
24 necessary information, subject to withholding of
25 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 supplant any credit allowed under sec-
7 tion 25C or 25D of that Code for eligible work per-
8 formed in the home of the homeowner.

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

13 **SEC. 10. PUBLIC INFORMATION CAMPAIGN.**

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

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

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

24 **SEC. 11. PENALTIES.**

25 (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) funded in significant part—

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

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

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

1 mined by the designated entity administering
2 the Home Star Loan Program in the State);
3 and

4 (4) undertake particular efforts to make such
5 loans available in public use microdata areas that
6 have a poverty rate of 12 percent or more in a pro-
7 portion of total loans made at least equal to the pro-
8 portion the number of residents in such areas bears
9 to the total population of the area served by that
10 qualified financing entity.

11 (d) ALLOCATION.—In allocating 75 percent of the
12 funds made available to States for each fiscal year under
13 this section, the Secretary shall use the formula used to
14 allocate funds to States to carry out State energy con-
15 servation plans established under part D of title III of the
16 Energy Policy and Conservation Act (42 U.S.C. 6321 et
17 seq.). In allocating the remaining 25 percent of the funds
18 made available to States for each fiscal year under this
19 section, the Secretary may vary the result of the formula
20 to recognize and reward those States that make the best
21 progress in providing loans to low-income areas pursuant
22 to subsection (c)(4).

23 (e) QUALIFIED FINANCING ENTITIES.—Before mak-
24 ing funds available to a State under this section, the Sec-

1 retary shall require the Governor of the State to provide
2 to the Secretary a letter of assurance that the State—

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

5 (2) has established, or has required its des-
6 igned qualified financing entities to establish, a
7 qualified loan program mechanism that—

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

11 (B) incorporates an effective repayment
12 mechanism, which may include—

13 (i) on-utility-bill repayment;

14 (ii) tax assessment or other form of
15 property assessment financing;

16 (iii) municipal service charges;

17 (iv) energy or energy efficiency serv-
18 ices contracts;

19 (v) energy efficiency power purchase
20 agreements;

21 (vi) unsecured loans applying the un-
22 derwriting requirements of the energy loan
23 program of the Federal National Mortgage
24 Association; or

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

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

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

14 (1) interest rate reductions to interest rates as
15 low as 0 percent;

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

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

20 (4) other debt instruments (excluding
21 securitization instruments) necessary—

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

24 (B) to support widespread deployment of
25 energy efficiency programs.

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

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

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

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

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

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

21 (5) the performance of the programs carried
22 out by qualified financing entities under this section,
23 including information on the rate of default and re-
24 payment.

1 **SEC. 13. FUNDING.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—

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

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

17 (b) GRANTS TO STATES.—

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

23 (A) administrative costs of carrying out
24 this Act;

25 (B) development and implementation of
26 quality assurance frameworks;

1 (C) oversight of quality assurance pro-
2 grams;

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

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

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

13 (3) DISTRIBUTION TO STATES.—

14 (A) PROVISION OF FUNDS.—Not later than
15 30 days after the date of enactment of this Act,
16 the Secretary shall provide to the State energy
17 offices, or such other State entities as are des-
18 ignated by the Governor, of States that are car-
19 rying out responsibilities under section 7, 25
20 percent of the funds described in paragraph (1).

21 (B) ALLOCATION.—Funds described in
22 subparagraph (A) shall be made available in ac-
23 cordance with the allocation formula for State
24 energy conservation plans established under

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

3 (C) FUND ALLOCATION PROCESS.—The
4 Secretary shall allocate the remaining 75 per-
5 cent of the funds described in paragraph (1) in
6 a manner that may vary from the formula de-
7 scribed in subparagraph (B) as necessary to
8 best support the objectives of achieving energy
9 efficiency gains, employment of underemployed
10 workers, and implementing quality assurance
11 programs and frameworks in participating
12 States.

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

19 (5) INDIAN TRIBES.—

20 (A) IN GENERAL.—If an Indian tribe acts
21 in place of a State for purposes of carrying out
22 the responsibilities of the State under this Act
23 with respect to its tribal lands pursuant to sec-
24 tion 3(h), the Secretary shall transfer to that
25 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, technical assistance to
2 States, and related administrative costs incurred by the
3 Secretary.

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

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

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

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

1 (g) GOLD STAR HOME ENERGY RETROFIT PRO-
2 GRAM.—Of the amount provided under subsection (a),
3 after subtracting the amounts authorized in subsections
4 (b), (d), and (e) of this section, one-third of the remainder
5 is authorized to be appropriated to the Secretary to be
6 used to provide rebates and other payments authorized
7 under the Gold Star Home Energy Retrofit Program.

8 (h) RETURN OF UNDISBURSED FUNDS.—

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

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

22 (i) SUNSET.—With the exception of the provisions of
23 section 4(c)(5), (6), and (7), sections 9, 11, and 12, this
24 subsection, and the relevant definitions in section 2 to
25 those provisions, this Act shall cease to be effective after

1 December 31, 2012. Nothing in this subsection shall pre-
2 vent a State from continuing to implement a quality assur-
3 ance framework established pursuant to section 7 of this
4 Act.

