

113TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Energy Policy and Conservation Act to promote energy efficiency and energy savings in residential buildings.

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IN THE SENATE OF THE UNITED STATES

Mr. SANDERS (for himself and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on

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## **A BILL**

To amend the Energy Policy and Conservation Act to promote energy efficiency and energy savings in residential buildings.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Residential Energy  
5 Savings Act of 2013”.

6 **SEC. 2. STATE RESIDENTIAL BUILDING ENERGY EFFI-**  
7 **CIENCY UPGRADES LOAN PILOT PROGRAM.**

8 (a) LOANS FOR RESIDENTIAL BUILDING ENERGY  
9 EFFICIENCY UPGRADES.—Part D of title III of the En-

1 energy Policy and Conservation Act (42 U.S.C. 6321 et seq.)

2 is amended by adding at the end the following:

3 **“SEC. 367. LOANS FOR RESIDENTIAL BUILDING ENERGY EF-**  
4 **FICIENCY UPGRADES.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) CONSUMER-FRIENDLY LOAN REPAYMENT  
7 APPROACH.—The term ‘consumer-friendly loan re-  
8 payment approach’ means a loan repayment method  
9 that—

10 “(A) emphasizes convenience for cus-  
11 tomers;

12 “(B) is of low cost to consumers; and

13 “(C) may tie loan repayment to an existing  
14 bill of the consumer.

15 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
16 tity’ means—

17 “(A) a State or territory of the United  
18 States; and

19 “(B) an Indian tribal government.

20 “(3) ENERGY ADVISOR PROGRAM.—

21 “(A) IN GENERAL.—The term ‘energy ad-  
22 visor program’ means any program to provide  
23 to homeowners or residents advice, information,  
24 and support in the identification, prioritization,

1 and implementation of energy efficiency and en-  
2 ergy savings measures.

3 “(B) INCLUSIONS.—The term ‘energy ad-  
4 visor program’ includes a program that pro-  
5 vides—

6 “(i) interpretation of energy audit re-  
7 ports;

8 “(ii) assistance in the prioritization of  
9 improvements;

10 “(iii) assistance in finding qualified  
11 contractors;

12 “(iv) assistance in contractor bid re-  
13 views;

14 “(v) education on energy conservation,  
15 renewable energy, and energy efficiency;

16 “(vi) explanations of available incen-  
17 tives and tax credits;

18 “(vii) assistance in completion of re-  
19 bate and incentive paperwork; and

20 “(viii) any other similar type of sup-  
21 port.

22 “(4) ENERGY EFFICIENCY.—The term ‘energy  
23 efficiency’ means a reduction in energy use, includ-  
24 ing thermal energy for heating.

25 “(5) ENERGY EFFICIENCY UPGRADE.—

1           “(A) IN GENERAL.—The term ‘energy effi-  
2           ciency upgrade’ means any project or activity  
3           carried out on a residential building to increase  
4           energy efficiency.

5           “(B) INCLUSIONS.—The term ‘energy effi-  
6           ciency upgrade’ includes the installation or im-  
7           provement of renewable energy for heating or  
8           electricity generation serving a residential build-  
9           ing carried out in conjunction with an energy  
10          efficiency project or activity.

11          “(6) RESIDENTIAL BUILDING.—

12           “(A) IN GENERAL.—The term ‘residential  
13           building’ means a building used for residential  
14           purposes.

15           “(B) INCLUSIONS.—The term ‘residential  
16           building’ includes—

17                   “(i) a single-family residence;

18                   “(ii) a multifamily residence composed  
19                   not more than 4 units; and

20                   “(iii) a mixed-use building that in-  
21                   cludes not more than 4 residential units.

22          “(b) ESTABLISHMENT OF PROGRAM.—

23           “(1) IN GENERAL.—The Secretary shall estab-  
24           lish a program under this part under which the Sec-  
25           retary shall make available to eligible entities loans

1 for the purpose of establishing or expanding pro-  
2 grams that provide to residential property owners or  
3 tenants financing for energy efficiency upgrades of  
4 residential buildings.

5 “(2) NO REQUIREMENT TO PARTICIPATE.—No  
6 eligible entity shall be required to participate in any  
7 manner in the program established under paragraph  
8 (1).

9 “(c) APPLICATIONS.—

10 “(1) IN GENERAL.—To be eligible to receive a  
11 loan under this section, an eligible entity shall sub-  
12 mit to the Secretary an application at such time, in  
13 such manner, and containing such information as  
14 the Secretary may require.

15 “(2) SELECTION.—In selecting eligible entities  
16 to receive loans under this section, the Secretary  
17 shall—

18 “(A) to the maximum extent practicable,  
19 ensure—

20 “(i) that both innovative and estab-  
21 lished approaches to the challenges of fi-  
22 nancing energy efficiency upgrades are  
23 supported;

1                   “(ii) regional diversity among recipi-  
2                   ents, including participation by rural  
3                   States and small States; and

4                   “(iii) significant participation by low-  
5                   and medium-income families;

6                   “(B) evaluate applications based primarily  
7                   on—

8                   “(i) the projected reduction in energy  
9                   use;

10                  “(ii) the extent to which Federal  
11                  funds are used to leverage additional fund-  
12                  ing from State, local, philanthropic, private  
13                  sector, and other sources;

14                  “(iii) the creditworthiness of the eligi-  
15                  ble entity; and

16                  “(iv) the incorporation of measures,  
17                  such as on-bill repayment, for making the  
18                  loan repayment system for recipients of fi-  
19                  nancing as consumer-friendly as prac-  
20                  ticable; and

21                  “(C) evaluate applications based second-  
22                  arily on—

23                  “(i) the extent to which the proposed  
24                  financing program of the eligible entity in-

1           corporate best practices for such a pro-  
2           gram, as determined by the Secretary;

3           “(ii) whether the eligible entity has  
4           created a plan for evaluating the effective-  
5           ness of the proposed financing program;

6           “(iii) the extent to which the proposed  
7           financing program incorporates energy ad-  
8           visor programs and support programs de-  
9           signed to increase the effectiveness of the  
10          program;

11          “(iv) the projected quantity of renew-  
12          able energy to be generated, to the extent  
13          that renewable energy generation will be  
14          included;

15          “(v) the extent to which the proposed  
16          financing program will be coordinated and  
17          marketed with other existing or planned  
18          energy efficiency programs administered  
19          by—

20                  “(I) utilities;

21                  “(II) State, tribal, territorial, or  
22                  local governments; or

23                  “(III) community development fi-  
24                  nancial institutions; and

1                   “(vi) such other factors as the Sec-  
2                   retary determines to be appropriate.

3           “(d) TERM; INTEREST.—

4                   “(1) IN GENERAL.—The Secretary shall estab-  
5                   lish terms and interest rates for loans provided to el-  
6                   igible entities under this section in a manner that—

7                           “(A) provides for a high degree of cost re-  
8                           covery; and

9                           “(B) ensures that the loans are competitive  
10                          with, or superior to, other forms of financing  
11                          for similar purposes.

12                   “(2) PERFORMANCE INCENTIVE.—The Sec-  
13                   retary shall establish a performance incentive pro-  
14                   viding a repayment discount for eligible entities in  
15                   an amount equal to not more than the value of the  
16                   interest accrued on the loan provided to the applica-  
17                   ble eligible entity under this section, based on per-  
18                   formance as evaluated in accordance with the factors  
19                   described in subparagraphs (B) and (C) of sub-  
20                   section (c)(2).

21           “(e) USE OF FUNDS.—

22                   “(1) IN GENERAL.—An eligible entity shall use  
23                   a loan provided under this section to establish or ex-  
24                   pand a financing program—

1           “(A) the purpose of which is to enable resi-  
2           dential building owners or tenants to conduct  
3           energy efficiency upgrades of residential build-  
4           ings;

5           “(B) that may not require any initial cap-  
6           ital, excluding fees; and

7           “(C) that incorporates a consumer-friendly  
8           loan repayment approach.

9           “(2) STRUCTURE OF FINANCING PROGRAM.—

10          The financing program of an eligible entity may—

11           “(A) consist—

12           “(i) primarily or entirely of a financ-  
13           ing program administered by—

14                   “(I) the applicable State; or

15                   “(II) a local government, utility,  
16           or other entity; or

17           “(ii) of a combination of programs de-  
18           scribed in clause (i); and

19           “(B) rely on financing provided by—

20                   “(i) the eligible entity; or

21                   “(ii) a third party, acting through the  
22           eligible entity.

23           “(3) FORM OF ASSISTANCE.—Assistance pro-  
24           vided by an eligible entity under this subsection may  
25           be in the form of—

1           “(A) a revolving loan fund;

2           “(B) a credit enhancement structure de-  
3 signed to mitigate the effects of default; or

4           “(C) a program that—

5               “(i) adopts any other approach for  
6 providing financing for energy efficiency  
7 upgrades producing significant energy effi-  
8 ciency gains;

9               “(ii) produces a high-leverage ratio of  
10 non-Federal funds; and

11               “(iii) incorporates measures for mak-  
12 ing the loan repayment system for recipi-  
13 ents of financing as consumer-friendly as  
14 practicable.”

15           “(4) SCOPE OF ASSISTANCE.—Assistance pro-  
16 vided by an eligible entity under this subsection may  
17 be used to pay for costs associated with carrying out  
18 an energy efficiency upgrade, including materials  
19 and labor.

20           “(f) REPAYMENT.—An eligible entity shall repay to  
21 the Secretary the amount of a loan provided under this  
22 section, together with—

23               “(1) interest accrued on that amount; and

1           “(2) such fees as the Secretary determines to  
2           be necessary to recover any portion of the costs of  
3           the program under this section.

4           “(g) REPORTS.—

5           “(1) ELIGIBLE ENTITIES.—

6           “(A) IN GENERAL.—Not later than 2 years  
7           after the date of receipt of the loan, and annu-  
8           ally thereafter for the term of the loan, an eligi-  
9           ble entity that receives a loan under this section  
10          shall submit to the Secretary a report describ-  
11          ing the performance of each program and activ-  
12          ity carried out using the loan, including  
13          anonymized loan performance data.

14          “(B) REQUIREMENTS.—The Secretary, in  
15          consultation with eligible entities and other  
16          stakeholders (such as lending institutions and  
17          the real estate industry), shall establish such re-  
18          quirements for the reports under this para-  
19          graph as the Secretary determines to be appro-  
20          priate—

21                  “(i) to ensure that the reports are  
22                  clear, consistent, and straightforward; and

23                  “(ii) taking into account the reporting  
24                  requirements for similar programs in

1                   which the eligible entities are participating,  
2                   if any.

3                   “(2) SECRETARY.—The Secretary shall submit  
4 to Congress and make available to the public—

5                   “(A) not less frequently than once each  
6 year, a report describing the performance of the  
7 program under this section, including a syn-  
8 thesis and analysis of the information provided  
9 in the reports submitted to the Secretary under  
10 paragraph (1)(A); and

11                   “(B) on termination of the program under  
12 this section, an assessment of the success of,  
13 and education provided by, the measures car-  
14 ried out by eligible entities during the term of  
15 the program.

16                   “(h) MAXIMUM AMOUNT.—The Secretary may pro-  
17 vide to eligible entities a total of not more than  
18 \$2,000,000,000 in loans under this section for the costs  
19 of activities described in subsection (e).”.

20                   (b) REORGANIZATION.—

21                   (1) IN GENERAL.—Part D of title III of the  
22 Energy Policy and Conservation Act (42 U.S.C.  
23 6321 et seq.) is amended—

24                   (A) by redesignating sections 362, 363,  
25 364, 365, and 366 as sections 364, 365, 366,

1           363, and 362, respectively, and moving the sec-  
2           tions so as to appear in numerical order;

3           (B) in section 362 (as so redesignated)—

4                   (i) in paragraph (3)(B)(i), by striking  
5                   “section 367, and” and inserting “section  
6                   367 (as in effect on the day before the  
7                   date of enactment of the State Energy Ef-  
8                   ficiency Programs Improvement Act of  
9                   1990 (42 U.S.C. 6201 note; Public Law  
10                  101–440)); and”;

11                  (ii) in each of paragraphs (4) and (6),  
12                  by striking “section 365(e)(1)” each place  
13                  it appears and inserting “section  
14                  363(e)(1)”;

15           (C) in section 363 (as so redesignated)—

16                   (i) in subsection (b), by striking “the  
17                   provisions of sections 362 and 364 and  
18                   subsection (a) of section 363” and insert-  
19                   ing “sections 364, 365(a), and 366”; and

20                   (ii) in subsection (g)(1)(A), in the sec-  
21                   ond sentence, by striking “section 362”  
22                   and inserting “section 364”; and

23           (D) in section 365 (as so redesignated)—

24                   (i) in subsection (a)—

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1 (I) in paragraph (1), by striking  
2 “section 362,” and inserting “section  
3 364;”; and

4 (II) in paragraph (2), by striking  
5 “section 362(b) or (e)” and inserting  
6 “subsection (b) or (e) of section 364”;  
7 and

8 (ii) in subsection (b)(2), in the matter  
9 preceding subparagraph (A), by striking  
10 “section 362(b) or (e)” and inserting “sub-  
11 section (b) or (e) of section 364”.

12 (2) CONFORMING AMENDMENTS.—Section 391  
13 of the Energy Policy and Conservation Act (42  
14 U.S.C. 6371) is amended—

15 (A) in paragraph (2)(M), by striking “sec-  
16 tion 365(e)(2)” and inserting “section  
17 363(e)(2)”; and

18 (B) in paragraph (10), by striking “section  
19 362 of this Act” and inserting “section 364”.

20 (3) CLERICAL AMENDMENT.—The table of con-  
21 tents of the Energy Policy and Conservation Act (42  
22 U.S.C. 6201 note; Public Law 94–163) is amended  
23 by striking the items relating to part D of title III  
24 and inserting the following:

“PART D—STATE ENERGY CONSERVATION PROGRAMS

“Sec. 361. Findings and purpose.

“Sec. 362. Definitions.

“Sec. 363. General provisions.

“Sec. 364. State energy conservation plans.

“Sec. 365. Federal assistance to States.

“Sec. 366. State energy efficiency goals.

“Sec. 367. Loans for residential building energy efficiency upgrades.”.

**1 SEC. 3. FUNDING.**

2 (a) BUDGETARY EFFECTS.—The budgetary effects of  
3 this Act, for the purpose of complying with the Statutory  
4 Pay-As-You-Go-Act of 2010, shall be determined by ref-  
5 erence to the latest statement titled “Budgetary Effects  
6 of PAYGO Legislation” for this Act, submitted for print-  
7 ing in the Congressional Record by the Chairman of the  
8 Senate Budget Committee, provided that such statement  
9 has been submitted prior to the vote on passage.

10 (b) ADVANCE APPROPRIATIONS REQUIRED.—An au-  
11 thorization of appropriations under this Act or an amend-  
12 ment made by this Act shall be effective for a fiscal year  
13 only to the extent and in the amounts provided in advance  
14 in appropriations Acts.