

114TH CONGRESS
1ST SESSION

S. 893

To establish an Energy Productivity Innovation Challenge (EPIC) to assist energy policy innovation in the States to promote the goal of doubling electric and thermal energy productivity by January 1, 2030.

IN THE SENATE OF THE UNITED STATES

MARCH 26, 2015

Mr. WARNER (for himself and Mr. MANCHIN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To establish an Energy Productivity Innovation Challenge (EPIC) to assist energy policy innovation in the States to promote the goal of doubling electric and thermal energy productivity by January 1, 2030.

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 “Energy Productivity
5 Innovation Challenge Act of 2015” or the “EPIC Act of
6 2015”.

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to assist energy policy in-
3 novation in the States to promote the goal of doubling
4 electric and thermal energy productivity by January 1,
5 2030.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) ENERGY PRODUCTIVITY.—The term “en-
9 ergy productivity” means, in the case of a State or
10 Indian tribe, the gross State or tribal product per
11 British thermal unit of energy consumed in the
12 State or tribal land of the Indian tribe, respectively.

13 (2) 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 (3) STATE.—The term “State” has the mean-
18 ing given the term in section 3 of the Energy Policy
19 and Conservation Act (42 U.S.C. 6202).

20 **SEC. 4. PHASE 1: INITIAL ALLOCATION OF GRANTS TO**
21 **STATES.**

22 (a) IN GENERAL.—Not later than 30 days after the
23 date of enactment of this Act, the Secretary shall issue
24 an invitation to States to submit plans to participate in
25 an electric and thermal energy productivity challenge in
26 accordance with this section.

1 (b) GRANTS.—

2 (1) IN GENERAL.—Subject to section 7, the
3 Secretary shall use funds made available under sec-
4 tion 8(b)(1) to provide an initial allocation of grants
5 to not more than 25 States.

6 (2) AMOUNT.—The amount of a grant provided
7 to a State under this section shall be not less than
8 \$500,000 nor more than \$1,750,000.

9 (c) SUBMISSION OF PLANS.—To receive a grant
10 under this section, not later than 90 days after the date
11 of issuance of the invitation under subsection (a), a State
12 (in consultation with energy utilities, regulatory bodies,
13 and others) shall submit to the Secretary an application
14 to receive the grant by submitting a revised State energy
15 conservation plan under section 362 of the Energy Policy
16 and Conservation Act (42 U.S.C. 6322).

17 (d) DECISION BY SECRETARY.—

18 (1) BASIS.—The Secretary shall base the deci-
19 sion of the Secretary on an application submitted
20 under this section on—

21 (A) plans for improvement in electric and
22 thermal energy productivity consistent with this
23 Act; and

24 (B) other factors determined appropriate
25 by the Secretary, including geographic diversity.

1 (2) RANKING.—The Secretary shall—

2 (A) rank revised plans submitted under
3 this section in order of the greatest to least
4 likely contribution to improving energy produc-
5 tivity in the State; and

6 (B) provide grants under this section in
7 accordance with the ranking and the scale and
8 scope of a plan.

9 (e) PLAN REQUIREMENTS.—A plan submitted under
10 subsection (c) shall provide—

11 (1) a description of the manner in which—

12 (A) energy savings will be monitored and
13 verified and energy productivity improvements
14 will be calculated using inflation-adjusted dol-
15 lars;

16 (B) a statewide baseline of energy use and
17 potential resources for calendar year 2010 will
18 be established to measure improvements;

19 (C) the plan will promote achievement of
20 energy savings and demand reduction goals;

21 (D) public and private sector investments
22 in energy efficiency will be leveraged with avail-
23 able Federal funding; and

1 (E) the plan will not cause cost-shifting
2 among utility customer classes or negatively im-
3 pact low-income populations; and

4 (2) an assurance that—

5 (A) the State energy office required to sub-
6 mit the plan, the energy utilities in the State
7 participating in the plan, and the State public
8 service commission are cooperating and coordi-
9 nating programs and activities under this Act;

10 (B) the State is cooperating with local
11 units of government, Indian tribes, and energy
12 utilities to expand programs as appropriate;
13 and

14 (C) grants provided under this Act will be
15 used to supplement and not supplant Federal,
16 State, or ratepayer-funded programs or activi-
17 ties in existence on the date of enactment of
18 this Act.

19 (f) USES.—A State may use grants provided under
20 this section to promote—

21 (1) the expansion of policies and programs that
22 will advance industrial energy efficiency, waste heat
23 recovery, combined heat and power, and waste heat-
24 to-power utilization;

1 (2) the expansion of policies and programs that
2 will advance energy efficiency construction and ret-
3 rofits for public and private commercial buildings
4 (including schools, hospitals, and residential build-
5 ings, including multifamily buildings) such as
6 through expanded energy service performance con-
7 tracts, equivalent utility energy service contracts,
8 zero net-energy buildings, and improved building en-
9 ergy efficiency codes;

10 (3) the expansion of residential policies and
11 programs designed to implement best practice poli-
12 cies and tools for residential retrofit programs
13 that—

14 (A) reduce administrative and delivery
15 costs for energy efficiency projects;

16 (B) encourage streamlining and automa-
17 tion to support contractor engagement; and

18 (C) implement systems that encourage pri-
19 vate investment and market innovation;

20 (4) the establishment or expansion of incentives
21 in the electric utility sector to enhance demand re-
22 sponse and energy efficiency, including consideration
23 of additional incentives to promote the purposes of
24 section 111(d) of the Public Utility Regulatory Poli-
25 cies Act of 1978 (16 U.S.C. 2621(d)), such as ap-

1 appropriate, cost-effective policies regarding rate struc-
 2 tures, grid improvements, behavior change, combined
 3 heat and power and waste heat-to-power incentives,
 4 financing of energy efficiency programs, data use in-
 5 centives, district heating, and regular energy audits;
 6 and

7 (5) leadership by example, in which State ac-
 8 tivities involving both facilities and vehicle fleets can
 9 be a model for other action to promote energy effi-
 10 ciency and can be expanded with Federal grants pro-
 11 vided under this Act.

12 **SEC. 5. PHASE 2: SUBSEQUENT ALLOCATION OF GRANTS TO**
 13 **STATES.**

14 (a) **REPORTS.**—Not later than 18 months after the
 15 receipt of grants under section 4, each State (in consulta-
 16 tion with other parties described in subsection (b)(3)(F))
 17 that received grants under section 4 may submit to the
 18 Secretary a report that describes—

19 (1) the performance of the programs and activi-
 20 ties carried out with the grants; and

21 (2) in consultation with other parties described
 22 in subsection (b)(3)(F), the manner in which addi-
 23 tional funds would be used to carry out programs
 24 and activities to promote the purposes of this Act.

25 (b) **GRANTS.**—

1 (1) IN GENERAL.—Not later than 180 days
2 after the date of the receipt of the reports required
3 under subsection (a), subject to section 7, the Sec-
4 retary shall use amounts made available under sec-
5 tion 8(b)(2) to provide grants to not more than 6
6 States to carry out the programs and activities de-
7 scribed in subsection (a)(2).

8 (2) AMOUNT.—The amount of a grant provided
9 to a State under this section shall be not more than
10 \$15,000,000.

11 (3) BASIS.—The Secretary shall base the deci-
12 sion of the Secretary to provide grants under this
13 section on—

14 (A) the performance of the State in the
15 programs and activities carried out with grants
16 provided under section 4;

17 (B) the potential of the programs and ac-
18 tivities described in subsection (a)(2) to achieve
19 the purposes of this Act;

20 (C) the desirability of maintaining a total
21 project portfolio that is geographically and
22 functionally diverse;

23 (D) the amount of non-Federal funds that
24 are leveraged as a result of the grants to ensure
25 that Federal dollars are leveraged effectively;

1 (E) plans for continuation of the improve-
 2 ments after the receipt of grants under this
 3 Act; and

4 (F) demonstrated effort by the State to in-
 5 volve diverse groups, including—

6 (i) investor-owned, cooperative, and
 7 public power utilities;

8 (ii) local governments; and

9 (iii) nonprofit organizations.

10 **SEC. 6. ALLOCATION OF GRANTS TO INDIAN TRIBES.**

11 (a) IN GENERAL.—Not later than 30 days after the
 12 date of enactment of this Act, the Secretary shall invite
 13 Indian tribes to submit plans to participate in an electric
 14 and thermal energy productivity challenge in accordance
 15 with this section.

16 (b) SUBMISSION OF PLANS.—To receive a grant
 17 under this section, not later than 90 days after the date
 18 of issuance of the invitation under subsection (a), an In-
 19 dian tribe shall submit to the Secretary a plan to increase
 20 electric and thermal energy productivity by the Indian
 21 tribe.

22 (c) DECISION BY SECRETARY.—

23 (1) IN GENERAL.—Not later than 90 days after
 24 the submission of plans under subsection (b), the

1 Secretary shall make a final decision on the alloca-
2 tion of grants under this section.

3 (2) BASIS.—The Secretary shall base the deci-
4 sion of the Secretary under paragraph (1) on—

5 (A) plans for improvement in electric and
6 thermal energy productivity consistent with this
7 Act;

8 (B) plans for continuation of the improve-
9 ments after the receipt of grants under this
10 Act; and

11 (C) other factors determined appropriate
12 by the Secretary, including—

13 (i) geographic diversity; and

14 (ii) size differences among Indian
15 tribes.

16 (3) LIMITATION.—An individual Indian tribe
17 shall not receive more than 20 percent of the total
18 amount available to carry out this section.

19 **SEC. 7. ADMINISTRATION.**

20 (a) INDEPENDENT EVALUATION.—To evaluate pro-
21 gram performance and effectiveness under this Act, the
22 Secretary shall consult with the National Research Coun-
23 cil regarding requirements for data and evaluation for re-
24 cipients of grants under this Act.

1 (b) COORDINATION WITH STATE ENERGY CON-
2 SERVATION PROGRAMS.—

3 (1) IN GENERAL.—Grants to States under this
4 Act shall be provided through additional funding to
5 carry out State energy conservation programs under
6 part D of title III of the Energy Policy and Con-
7 servation Act (42 U.S.C. 6321 et seq.).

8 (2) RELATIONSHIP TO STATE ENERGY CON-
9 SERVATION PROGRAMS.—

10 (A) IN GENERAL.—A grant provided to a
11 State under this Act shall be used to supple-
12 ment (and not supplant) funds provided to the
13 State under part D of title III of the Energy
14 Policy and Conservation Act (42 U.S.C. 6321
15 et seq.).

16 (B) MINIMUM FUNDING.—A grant shall
17 not be provided to a State for a fiscal year
18 under this Act if the amount of funding pro-
19 vided to all State grantees under the base for-
20 mula for the fiscal year under part D of title
21 III of the Energy Policy and Conservation Act
22 (42 U.S.C. 6321 et seq.) is less than
23 \$50,000,000.

1 (c) VOLUNTARY PARTICIPATION.—The participation
 2 of a State in a challenge established under this Act shall
 3 be voluntary.

4 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) IN GENERAL.—There is authorized to be appro-
 6 priated to carry out this Act \$100,000,000 for the period
 7 of fiscal years 2016 and 2017.

8 (b) ALLOCATION.—Of the total amount of funds
 9 made available under subsection (a)—

10 (1) 30 percent shall be used to provide an ini-
 11 tial allocation of grants to States under section 4;

12 (2) 61 percent shall be used to provide a subse-
 13 quent allocation of grants to States under section 5;

14 (3) 4 percent shall be used to make grants to
 15 Indian tribes under section 6; and

16 (4) 5 percent shall be available to the Secretary
 17 for the cost of administration and technical support
 18 to carry out this Act.

19 **SEC. 9. OFFSET.**

20 Section 422(f) of the Energy Independence and Secu-
 21 rity Act of 2007 (42 U.S.C. 17082(f)) is amended—

22 (1) in paragraph (3), by striking “and” after
 23 the semicolon at the end; and

24 (2) by striking paragraph (4) and inserting the
 25 following:

- 1 “(4) \$200,000,000 for each of fiscal years 2013
2 through 2015;
3 “(5) \$150,000,000 for each of fiscal years 2016
4 and 2017; and
5 “(6) \$200,000,000 for fiscal year 2018.”.

