

117TH CONGRESS
1ST SESSION

S. 2066

To require the Secretary of Energy to establish an energy efficiency revolving loan fund capitalization grant program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 15, 2021

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

A BILL

To require the Secretary of Energy to establish an energy efficiency revolving loan fund capitalization grant program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Investing in New
5 Strategies for Upgrading Lower Attaining Efficiency
6 Buildings Act of 2021” or the “INSULATE Buildings
7 Act of 2021”.

8 **SEC. 2. DEFINITIONS.**

9 In this Act:

1 (1) PRIORITY STATE.—The term “priority
2 State” means a State that—

3 (A) is eligible for funding under the State
4 Energy Program; and

5 (B)(i) is among the 15 States with the
6 highest annual per-capita combined residential
7 and commercial sector energy consumption, as
8 most recently reported by the Energy Informa-
9 tion Administration; or

10 (ii) is among the 15 States with the high-
11 est annual per-capita energy-related carbon di-
12 oxide emissions by State, as most recently re-
13 ported by the Energy Information Administra-
14 tion.

15 (2) PROGRAM.—The term “program” means
16 the program established under section 3(a).

17 (3) SECRETARY.—The term “Secretary” means
18 the Secretary of Energy.

19 (4) STATE.—The term “State” means a State
20 (as defined in section 3 of the Energy Policy and
21 Conservation Act (42 U.S.C. 6202)), acting through
22 a State energy office.

23 (5) STATE ENERGY PROGRAM.—The term
24 “State Energy Program” means the State Energy
25 Program established under part D of title III of the

1 Energy Policy and Conservation Act (42 U.S.C.
2 6321 et seq.).

3 **SEC. 3. ENERGY EFFICIENCY REVOLVING LOAN FUND CAP-**
4 **ITALIZATION GRANT PROGRAM.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this Act, under the State Energy
7 Program, the Secretary shall establish a program under
8 which the Secretary shall provide capitalization grants to
9 States to establish a revolving loan fund under which the
10 State shall provide loans and grants, as applicable, in ac-
11 cordance with this section.

12 (b) DISTRIBUTION OF FUNDS.—

13 (1) ALL STATES.—

14 (A) IN GENERAL.—Of the amounts made
15 available under subsection (k), the Secretary
16 shall use 40 percent to provide capitalization
17 grants to States that are eligible for funding
18 under the State Energy Program, in accordance
19 with the allocation formula established under
20 section 420.11 of title 10, Code of Federal Reg-
21 ulations (or successor regulations).

22 (B) REMAINING FUNDING.—After applying
23 the allocation formula described in subpara-
24 graph (A), the Secretary shall redistribute any
25 unclaimed funds to the remaining States seek-

1 ing capitalization grants under that subpara-
2 graph.

3 (2) PRIORITY STATES.—

4 (A) IN GENERAL.—Of the amounts made
5 available under subsection (k), the Secretary
6 shall use 60 percent to provide supplemental
7 capitalization grants to priority States in ac-
8 cordance with an allocation formula determined
9 by the Secretary.

10 (B) REMAINING FUNDING.—After applying
11 the allocation formula described in subpara-
12 graph (A), the Secretary shall redistribute any
13 unclaimed funds to the remaining priority
14 States seeking supplemental capitalization
15 grants under that subparagraph.

16 (C) GRANT AMOUNT.—

17 (i) MAXIMUM AMOUNT.—The amount
18 of a supplemental capitalization grant pro-
19 vided to a State under this paragraph shall
20 not exceed \$30,000,000.

21 (ii) SUPPLEMENT NOT SUPPLANT.—A
22 supplemental capitalization grant received
23 by a State under this paragraph shall sup-
24 plement, not supplant, a capitalization

1 grant received by that State under para-
2 graph (1).

3 (c) APPLICATIONS FOR CAPITALIZATION GRANTS.—

4 A State seeking a capitalization grant under the program
5 shall submit to the Secretary an application at such time,
6 in such manner, and containing such information as the
7 Secretary may require, including—

8 (1) a detailed explanation of how the grant will
9 be used, including a plan to establish a new revolving
10 loan fund or use an existing revolving loan fund;

11 (2) the need of eligible recipients for loans and
12 grants in the State for assistance with conducting
13 energy audits;

14 (3) a description of the expected benefits that
15 building infrastructure and energy system upgrades
16 and retrofits will have on communities in the State;
17 and

18 (4) in the case of a priority State seeking a
19 supplemental capitalization grant under subsection
20 (b)(2), a justification for needing the supplemental
21 funding.

22 (d) TIMING.—

23 (1) IN GENERAL.—The Secretary shall establish
24 a timeline with dates by, or periods by the end of,
25 which a State shall—

1 (A) on receipt of a capitalization grant
2 under the program, deposit the grant funds into
3 a revolving loan fund; and

4 (B) begin using the capitalization grant as
5 described in subsection (e)(1).

6 (2) USE OF GRANT.—Under the timeline estab-
7 lished under paragraph (1), a State shall be required
8 to begin using a capitalization grant not more than
9 180 days after the date on which the grant is re-
10 ceived.

11 (e) USE OF GRANT FUNDS.—

12 (1) IN GENERAL.—A State that receives a cap-
13 italization grant under the program—

14 (A) shall provide loans in accordance with
15 paragraph (2); and

16 (B) may provide grants in accordance with
17 paragraph (3).

18 (2) LOANS.—

19 (A) COMMERCIAL ENERGY AUDIT.—

20 (i) IN GENERAL.—A State that re-
21 ceives a capitalization grant under the pro-
22 gram may provide a loan to an eligible re-
23 cipient described in clause (iii) to conduct
24 a commercial energy audit.

1 (ii) AUDIT REQUIREMENTS.—A com-
2 mercial energy audit conducted using a
3 loan provided under clause (i) shall—

4 (I) determine the overall con-
5 sumption of energy of the facility of
6 the eligible recipient;

7 (II) identify and recommend
8 lifecycle cost-effective opportunities to
9 reduce the energy consumption of the
10 facility of the eligible recipient, includ-
11 ing through energy efficient—

12 (aa) lighting;

13 (bb) heating, ventilation,
14 and air conditioning systems;

15 (cc) windows;

16 (dd) appliances; and

17 (ee) insulation and building
18 envelopes;

19 (III) estimate the energy and
20 cost savings potential of the opportu-
21 nities identified in subclause (II)
22 using software approved by the Sec-
23 retary;

24 (IV) identify—

1 (aa) the period and level of
2 peak energy demand for each
3 building within the facility of the
4 eligible recipient; and

5 (bb) the sources of energy
6 consumption that are contrib-
7 uting the most to that period of
8 peak energy demand;

9 (V) recommend controls and
10 management systems to reduce or re-
11 distribute peak energy consumption;

12 (VI) recommend strategies to in-
13 crease electrification of the facility of
14 the eligible recipient, including the in-
15 stallation of—

16 (aa) charging infrastructure
17 for plug-in electric vehicles;

18 (bb) electric heating and
19 cooling systems; or

20 (cc) electric appliances; and

21 (VII) estimate the total energy
22 and cost savings potential for the fa-
23 cility of the eligible recipient if all rec-
24 ommended upgrades and retrofits are

1 implemented, using software approved
2 by the Secretary.

3 (iii) ELIGIBLE RECIPIENTS.—An eligi-
4 ble recipient under clause (i) is a business
5 that—

6 (I) conducts the majority of its
7 business in the State that provides the
8 loan under that clause; and

9 (II) owns or operates—

10 (aa) 1 or more commercial
11 buildings; or

12 (bb) commercial space with-
13 in a building that serves multiple
14 functions, such as a building for
15 commercial and residential oper-
16 ations.

17 (B) RESIDENTIAL ENERGY AUDITS.—

18 (i) IN GENERAL.—A State that re-
19 ceives a capitalization grant under the pro-
20 gram may provide a loan to an eligible re-
21 cipient described in clause (iii) to conduct
22 a residential energy audit.

23 (ii) RESIDENTIAL ENERGY AUDIT RE-
24 QUIREMENTS.—A residential energy audit

1 conducted using a loan under clause (i)
2 shall—

3 (I) utilize the same evaluation
4 criteria as the Home Performance As-
5 sessment used in the Energy Star
6 program established under section
7 324A of the Energy Policy and Con-
8 servation Act (42 U.S.C. 6294a);

9 (II) recommend lifecycle cost-ef-
10 fective opportunities to reduce energy
11 consumption within the residential
12 building of the eligible recipient, in-
13 cluding through energy efficient—

14 (aa) lighting;

15 (bb) heating, ventilation,
16 and air conditioning systems;

17 (cc) windows;

18 (dd) appliances; and

19 (ee) insulation and building
20 envelopes;

21 (III) recommend controls and
22 management systems to reduce or re-
23 distribute peak energy consumption;

24 (IV) recommend strategies to in-
25 crease electrification of the residential

1 building of the eligible recipient, in-
2 cluding the installation of—

3 (aa) charging infrastructure
4 for plug-in electric vehicles, if
5 possible;

6 (bb) electric heating and
7 cooling systems; or

8 (cc) electric appliances;

9 (V) compare the energy con-
10 sumption of the residential building of
11 the eligible recipient to comparable
12 residential buildings in the same geo-
13 graphic area; and

14 (VI) provide a Home Energy
15 Score, or equivalent score, for the res-
16 idential building of the eligible recipi-
17 ent by using the Home Energy Score
18 Tool of the Department of Energy or
19 an equivalent scoring tool.

20 (iii) ELIGIBLE RECIPIENTS.—An eligi-
21 ble recipient under clause (i) is—

22 (I) an individual who owns—

23 (aa) a single family home;

24 (bb) a condominium or du-
25 plex; or

1 (cc) a manufactured housing
2 unit; or

3 (II) a business that owns or oper-
4 ates a multifamily housing facility.

5 (C) COMMERCIAL AND RESIDENTIAL EN-
6 ERGY UPGRADES AND RETROFITS.—

7 (i) IN GENERAL.—A State that re-
8 ceives a capitalization grant under the pro-
9 gram may provide a loan to an eligible re-
10 cipient described in clause (ii) to carry out
11 upgrades or retrofits of building infrastruc-
12 ture and systems that—

13 (I) are recommended in the com-
14 mercial energy audit or residential en-
15 ergy audit, as applicable, completed
16 for the building or facility of the eligi-
17 ble recipient;

18 (II) satisfy at least 1 of the cri-
19 teria in the Home Performance As-
20 sessment used in the Energy Star
21 program established under section
22 324A of the Energy Policy and Con-
23 servation Act (42 U.S.C. 6294a);

1 (III) improve, with respect to the
2 building or facility of the eligible re-
3 cipient—

4 (aa) the physical comfort of
5 the building or facility occupants;

6 (bb) the energy efficiency of
7 the building or facility; or

8 (cc) the quality of the air in
9 the building or facility; and

10 (IV)(aa) are lifecycle cost-effec-
11 tive; and

12 (bb)(AA) reduce the energy in-
13 tensity of the building or facility of
14 the eligible recipient; or

15 (BB) improve the control and
16 management of energy usage of the
17 building or facility to reduce demand
18 during peak times.

19 (ii) ELIGIBLE RECIPIENTS.—An eligi-
20 ble recipient under clause (i) is an eligible
21 recipient described in subparagraph (A)(iii)
22 or (B)(iii) that—

23 (I) has completed a commercial
24 energy audit described in subpara-
25 graph (A) or a residential energy

1 audit described in subparagraph (B)
2 using a loan provided under the appli-
3 cable subparagraph; or

4 (II) has completed a commercial
5 energy audit or residential energy
6 audit that—

7 (aa) was not funded by a
8 loan under this paragraph; and

9 (bb)(AA) meets the require-
10 ments for the applicable audit
11 under subparagraph (A) or (B),
12 as applicable; or

13 (BB) the Secretary deter-
14 mines is otherwise satisfactory.

15 (iii) LOAN TERM.—A loan provided
16 under this subparagraph shall be required
17 to be fully amortized by the earlier of—

18 (I) the year in which the up-
19 grades or retrofits carried out using
20 the loan exceed their expected useful
21 life; and

22 (II) 15 years after those up-
23 grades or retrofits are installed.

24 (D) REFERRAL TO QUALIFIED CONTRAC-
25 TORS.—Following the completion of an audit

1 under subparagraph (A) or (B) by an eligible
2 recipient of a loan under the applicable sub-
3 paragraph, the State may refer the eligible re-
4 cipient to a qualified contractor, as determined
5 by the State, to estimate—

6 (i) the upfront capital cost of each
7 recommended upgrade; and

8 (ii) the total upfront capital cost of
9 implementing all recommended upgrades.

10 (E) LOAN RECIPIENTS.—Each State pro-
11 viding loans under this paragraph shall, to the
12 maximum extent practicable, provide loans to
13 eligible recipients that do not have access to
14 private capital.

15 (3) GRANTS AND TECHNICAL ASSISTANCE.—

16 (A) IN GENERAL.—A State that receives a
17 capitalization grant under the program may use
18 not more than 25 percent of the grant funds to
19 provide grants or technical assistance to eligible
20 entities described in subparagraph (B) to carry
21 out the activities described in subparagraphs
22 (A), (B), and (C) of paragraph (2).

23 (B) ELIGIBLE ENTITY.—An entity eligible
24 for a grant or technical assistance under sub-
25 paragraph (A) is—

- 1 (i) a business that—
2 (I) is an eligible recipient de-
3 scribed in paragraph (2)(A)(iii); and
4 (II) has fewer than 500 employ-
5 ees; or
6 (ii) a low-income individual (as de-
7 fined in section 3 of the Workforce Innova-
8 tion and Opportunity Act (29 U.S.C.
9 3102)) that owns a residential building.

10 (4) ADMINISTRATIVE EXPENSES.—A State that
11 receives a capitalization grant under the program
12 may use not more than 10 percent of the grant
13 funds for administrative expenses.

14 (f) COORDINATION WITH EXISTING PROGRAMS.—A
15 State receiving a capitalization grant under the program
16 is encouraged to utilize and build on existing programs
17 and infrastructure within the State that may aid the State
18 in carrying out a revolving loan fund program.

19 (g) LEVERAGING PRIVATE CAPITAL.—A State receiv-
20 ing a capitalization grant under the program shall, to the
21 maximum extent practicable, use the grant to leverage pri-
22 vate capital.

23 (h) OUTREACH.—The Secretary shall engage in out-
24 reach to inform States of the availability of capitalization
25 grants under the program.

1 (i) DAVIS-BACON COMPLIANCE.—

2 (1) IN GENERAL.—Any laborer or mechanic em-
3 ployed by any contractor or subcontractor in the
4 performance of work on any project funded by a
5 grant under this section shall be paid wages at rates
6 not less than those prevailing on similar construction
7 in the locality as determined by the Secretary of
8 Labor under subchapter IV of chapter 31 of title 40,
9 United States Code (commonly referred to as the
10 “Davis-Bacon Act”).

11 (2) AUTHORITY.—With respect to the labor
12 standards specified in paragraph (1), the Secretary
13 of Labor shall have the authority and functions set
14 forth in Reorganization Plan Numbered 14 of 1950
15 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of
16 title 40, United States Code.

17 (j) REPORT.—Each State that receives a capitaliza-
18 tion grant under the program shall, not later than 1 year
19 after a grant is received, submit to the Secretary a report
20 that describes—

21 (1) the number of recipients to which the State
22 has distributed—

23 (A) loans for—

24 (i) commercial energy audits under
25 subsection (e)(2)(A);

1 (ii) residential energy audits under
2 subsection (e)(2)(B);

3 (iii) energy upgrades and retrofits
4 under subsection (e)(2)(C); and

5 (B) grants under subsection (e)(3); and

6 (2) the average capital cost of upgrades and
7 retrofits across all commercial energy audits and
8 residential energy audits that were conducted in the
9 State using loans provided by the State under sub-
10 section (e).

11 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated to the Secretary to carry
13 out this section \$250,000,000 for each of fiscal years 2022
14 through 2026, to remain available until expended.

15 **SEC. 4. ENERGY AUDITOR TRAINING GRANT PROGRAM.**

16 (a) DEFINITIONS.—In this section:

17 (1) COVERED CERTIFICATION.—The term “cov-
18 ered certification” means any of the following certifi-
19 cations:

20 (A) The ASHRAE Building Energy As-
21 sessment Professional certification.

22 (B) The Association of Energy Engineers
23 Certified Energy Auditor certification.

1 (C) The Building Performance Institute
2 Home Energy Professional Energy Auditor cer-
3 tification.

4 (D) The Residential Energy Services Net-
5 work Home Energy Rater certification.

6 (E) Any other third-party certification rec-
7 ognized by the Department of Energy.

8 (F) Any third-party certification that the
9 Secretary determines is equivalent to the certifi-
10 cations described in subparagraphs (A) through
11 (E).

12 (2) ELIGIBLE STATE.—The term “eligible
13 State” means a State that—

14 (A) has a demonstrated need for assistance
15 for training energy auditors; and

16 (B) meets any additional criteria deter-
17 mined necessary by the Secretary.

18 (b) ESTABLISHMENT.—Under the State Energy Pro-
19 gram, the Secretary shall establish a competitive grant
20 program under which the Secretary shall award grants to
21 eligible States to train individuals to conduct energy au-
22 dits or surveys of commercial and residential buildings.

23 (c) APPLICATIONS.—

24 (1) IN GENERAL.—A State seeking a grant
25 under subsection (b) shall submit to the Secretary

1 an application at such time, in such manner, and
2 containing such information as the Secretary may
3 require, including the energy auditor training pro-
4 gram plan described in paragraph (2).

5 (2) ENERGY AUDITOR TRAINING PROGRAM
6 PLAN.—An energy auditor training program plan
7 submitted with an application under paragraph (1)
8 shall include—

9 (A)(i) a proposed training curriculum for
10 energy audit trainees; and

11 (ii) an identification of the covered certifi-
12 cation that those trainees will receive on com-
13 pletion of that training curriculum;

14 (B) the expected per-individual cost of
15 training;

16 (C) a plan for connecting trainees with em-
17 ployment opportunities; and

18 (D) any additional information required by
19 the Secretary.

20 (d) AMOUNT OF GRANT.—The amount of a grant
21 awarded to an eligible State under subsection (b)—

22 (1) shall be determined by the Secretary, taking
23 into account the population of the eligible State; and

24 (2) shall not exceed \$2,000,000 for any eligible
25 State.

1 (e) USE OF FUNDS.—

2 (1) IN GENERAL.—An eligible State that re-
3 ceives a grant under subsection (b) shall use the
4 grant funds—

5 (A) to cover any cost associated with indi-
6 viduals being trained or certified to conduct en-
7 ergy audits by—

8 (i) the State; or

9 (ii) a State-certified third party train-
10 ing program; and

11 (B) subject to paragraph (2), to pay the
12 wages of a trainee during the period in which
13 the trainee receives training and certification.

14 (2) LIMITATION.—Not more than 10 percent of
15 grant funds provided under subsection (b) to an eli-
16 gible State may be used for the purpose described in
17 paragraph (1)(B).

18 (f) CONSULTATION.—In carrying out this section, the
19 Secretary shall consult with the Secretary of Labor.

20 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated to carry out this section
22 \$8,000,000 for each of fiscal years 2022 through 2026.

○