

# Section-by-Section Summary

## Energy Savings and Industrial Competitiveness Act of 2014 (Shaheen-Portman, S. 2262)

### Title I: BUILDINGS

#### **Subtitle A: Building Energy Codes**

Section 101: Strengthens national model building codes for new homes and commercial buildings by requiring the Department of Energy (DOE) to support their development, including the setting of energy savings targets and providing of technical assistance to the code-setting and standard development organizations.

DOE, in consultation with building science experts and institutions of higher learning, will produce a report on the feasibility, impact, economics and value of code improvements.

Section 304 of ECPA is amended to change the State certification process so that within two years after model building codes are updated, States are to certify whether or not they have updated their building codes, and demonstrate if the building codes have met or exceeded energy savings targets.

The legislation reserves adoption and enforcement of model building codes to the States, but empowers DOE to offer technical assistance.

Section 307 of ECPA is amended to direct DOE to support the updating of model building energy codes by independent codes and standards developers, and to utilize the 2009 International Energy Conservation Code (IECC) for residences and the ASHRAE 90.1-2010 for commercial buildings as the baseline.

Authorizes \$200 million in funding to incentivize and assist States to meet the goals and requirements of the bill through the use of model codes.

#### **Subtitle B: Worker Training and Capacity Building**

Section 111: Establishes a DOE program for university-based Building Training and Assessment Centers, modeled after the existing Industrial Assessment Centers (IACs). Authorizes \$10 million in programmatic funding to train engineers, architects and workers in energy-efficient commercial building design and operations.

Section 112: Creates a DOE career skills program to provide grants to nonprofit partnerships for worker training in for the construction and installation of energy-efficient building technologies. Authorizes \$10 million in funding to carry out this section, and establishes a 50 percent federal cost share.

#### **Subtitle C: School Buildings**

Section 121: Requires DOE's Office of Energy Efficiency and Renewable Energy (EERE) to review all relevant standing energy efficiency programs and financing mechanisms currently available to schools by federal agencies, and to coordinate educational and outreach efforts to promote federal opportunities for assistance to schools.

Authorizes EERE to provide technical assistance to states, local educational agencies, and schools to help develop and finance energy efficiency projects. Requires EERE to cultivate and maintain an online database for relevant technical assistance and support staff. Directs EERE to recognize schools that successfully implement energy retrofit projects.

#### **Subtitle D: Better Buildings**

Section 131: Requires the Administrator of General Services (GSA) to develop and publish model leasing provisions for use in federal leasing documents to encourage building owners and tenants to invest in cost-effective energy efficiency measures.

Requires the GSA to develop policies and best practices to implement such measures for the realty services provided by GSA to federal agencies, including periodic training of federal employees and contractors, and to make such available to state, county, and municipal governments that manage owned and leased building space.

Section 132: Requires EERE to study the feasibility of significantly improving energy efficiency in commercial buildings through the design and construction of separate spaces with high-performance energy efficiency measures, and through encouraging owners and tenants to implement such measures in separate spaces. Requires the Secretary to publish such study on DOE's website.

Section 133: Requires EPA and DOE to develop a voluntary Tenant Star program within the ENERGY STAR program to recognize tenants in commercial buildings that voluntarily achieve high levels of energy efficiency in separate spaces.

Requires DOE and the Energy Information Administration (EIA) to collect data on categories of building occupancy that consume significant quantities of energy and on other aspects of the property, building operation, or building occupancy determined to be relevant to lowering energy consumption.

#### **Subtitle E: Energy Information for Commercial Buildings**

Section 141: Requires a space leased by a federal agency in a building that has not earned the ENERGY STAR label to be benchmarked under an online, free benchmarking program, with public disclosure. Requires an agency that is a tenant of a space that has not earned the ENERGY STAR label to provide to a building owner the energy consumption information of the space for use in meeting the benchmarking and disclosure requirements.

Requires the DOE to conduct a study on the impact of and best practices regarding state and local performance benchmarking and disclosure policies for commercial and multifamily buildings and the impact of utility policies for providing aggregated information to owners of multitenant buildings to assist with benchmarking programs.

Authorizes the Secretary to make awards to utilities, utility regulators, and utility partners to develop and implement programs to provide aggregated whole building energy consumption information to multitenant building owners. Such information is needed for benchmarking multi-tenant buildings.

Authorizes \$12.5 million in programmatic funding for FY 2014 through FY 2018.

## **Title II: INDUSTRIAL EFFICIENCY AND COMPETITIVENESS**

### **Subtitle A: Manufacturing Energy Efficiency**

*Section 201:* Identifies the purpose of this section, including: reforming and reorienting DOE's industrial efficiency programs; establishing consistent regulatory authority; accelerating the deployment of more efficient industrial technologies and practices; and strengthening public-private partnerships.

*Section 202:* Streamlines efforts by directing Industrial Assessment Centers (IACs) to coordinate with the Manufacturing Extension Partnership Centers of the National Institute of Standards and Technology and DOE's Building Technologies Program, and increases partnerships with the national laboratories and energy service and technology providers to leverage private sector expertise.

*Section 203:* Requires DOE's Office of Energy Efficiency and Renewable Energy (EERE) to provide onsite technical assessments to manufacturers seeking efficiency opportunities.

### **Subtitle B: Supply Star**

*Section 211:* Establishes a DOE pilot program modeled on and in coordination with ENERGY STAR to identify examples and opportunities and promote practices for highly efficient supply chains.

Allows DOE to award companies financing (competitive grants/other incentives), technical support and training to improve supply side efficiency.

Authorizes \$10 million in programmatic funding for FY 2014 through FY 2023.

### **Subtitle C: Electric Motor Rebate Program**

*Section 221:* Creates a DOE rebate program to incentivize purchases of new, high efficiency motor systems that reduce motor energy use by no less than 5%.

Authorizes \$5 million in programmatic funding for each of FY 2014 and FY 2015.

### **Subtitle D: Transformer Rebate Program**

*Section 231:* Directs DOE to launch an incentive rebate for the purchase of energy efficient transformers for industrial/manufacturing facilities or commercial/multifamily residential buildings.

Authorizes \$5 million for each of FY 2014 and FY 2015.

## **Title III: FEDERAL AGENCY ENERGY EFFICIENCY**

*Section 301:* Requires the DOE, in consultation with other federal agencies, to issue recommendations to employ energy efficiency through the use of information and communications technologies – including computer hardware, operation and maintenance processes, energy efficiency software, and power management tools.

*Section 302:* Allows the General Services Administration to utilize funding to update the project design of approved building construction to meet efficiency standards.

Section 303: Requires federal agencies to coordinate with OMB to develop a strategy for implementing energy efficient and energy saving technologies and practices, along with annual evaluation of federal data centers for energy efficiency.

Directs DOE and Office of E-Government and Information Technology to maintain a data center energy practitioner program that leads to the certification of practitioners qualified to evaluate energy usage and efficiency opportunities at federal data centers.

Establishes an open data initiative for federal data center energy usage data to facilitate data center optimization and consolidation.

Section 304: Authorizes a demonstration program to allow the Secretary of Housing and Urban Development (HUD) to use budget-neutral performance-based contracts to conduct energy and water efficiency upgrades to HUD-assisted multifamily housing units. Under the structure, private investors would fund the upfront costs of retrofits, and HUD would reimburse them with the related savings from reduced utility bills. The Secretary is authorized to issue contracts under the demonstration run until September 30, 2016. Contracts issued under this program may last no longer than 12 years. Payments will not be paid by the Secretary until utility savings have been validated by a third-party.

The program will be targeted towards residential units in multifamily buildings participating in rental assistance programs under section 8 of the U.S. Housing Act of 1937, the supportive housing for the elderly program under section 202 of the Housing Act of 1959, or the supportive housing for persons with disabilities program under section 811(d)(2) of the Cranston-Gonzalez National Housing Act.

## **Title IV: REGULATORY PROVISIONS**

### **Subtitle A: Third-party Certification Under Energy Star Program**

Section 401: Directs DOE and EPA to revise the ENERGY STAR certification and verification requirements for electronic products to reflect that third party testing shall not be required for program partners that have complied with ENERGY STAR regulations for at least 18 months.

Any exceptions granted that allow product developers to forego third party testing would be terminated if the partner violates the exemption rules twice during a 2-year period. The exemption would be reinstated if developers subsequently followed ENERGY STAR regulations for a period of 3 years. The cost of this amendment would be covered by the current EPA and DOE Energy Star budget.

### **Subtitle B: Federal Green Buildings**

Section 411: Requires DOE to conduct an ongoing review into private sector green building certification systems and to work with other agencies to determine which certification system would encourage the most comprehensive and environmentally sound approach to certifying federal buildings.

Section 412: Requires DOE to allow in its review of green building certification systems, the inclusion of any developer or administrator of a rating system or certification system and allows the inclusion of responsible domestic sourcing credits and life-cycle assessment as a credit pathway in such certification

systems. (Note: Substance of section 412 is contained in Title IV, Subtitle D for purposes of SLC formatting and to avoid amending existing law two separate times)

### **Subtitle C: Water Heaters**

Section 421: Allows the continued manufacture of large-capacity, grid-enabled, electric-resistance water heaters, provided the water heaters include capabilities that intend for them to be used only in electric thermal storage or demand response programs. Provides additional energy conservation standards applicable to grid-enabled water heaters, and includes data reporting requirements for manufacturers and utilities to report to DOE the number of units enrolled in electric thermal storage or demand response programs.

### **Subtitle D: Energy Performance Requirement for Federal Buildings**

Section 431: Extends existing federal building energy efficiency improvement targets. Requires DOE to review the results of the implementation of the energy performance requirements and to analyze the cost-effectiveness and feasibility of extending the energy savings targets.

Requires federal energy managers to complete comprehensive energy and water evaluations every four years, to ensure that federal buildings are performing at their optimal level of energy efficiency, and to explain why agencies did not implement any energy- or water-saving measures that were deemed life-cycle cost effective.

Repeals the provision of Section 433 of ECPA that established a requirement that federal buildings be designed so that the fossil fuel-generated energy consumption of the building be reduced on a timetable to 0% in 2030.

Section 432: Expands the scope of existing energy standards for new federal buildings to cover major renovations.

Requires future rulemakings on Federal building energy efficiency standards to include the existing administrative requirements of the “Guiding Principles for Sustainable New Construction and Major Renovations” for all new buildings of at least 5000 sq. ft., unless found not to be life-cycle cost effective.

Section 433: Requires HUD to develop and issue updated underwriting and appraisal guidelines for borrowers who voluntarily submit a qualified home energy report. The provision would cover any loan issued, insured, purchased, or securitized by FHA and other federal agencies, or their successors. The updated guidelines would adjust underwriting criteria and valuation guidelines to account for expected energy cost savings as an offset to other expenses and to account for present value of expected energy savings. If no qualified energy report is provided, no adjustment would be made. Lenders would be required to inform loan applicants of the costs and benefits of improving the energy efficiency of a home.

### **Subtitle E: Third Party Testing**

Section 441: Requires DOE to recognize voluntary, independent certification programs for air conditioning, furnace, boiler, heat pump, and water heater products. Requires DOE to rely on qualified voluntary certification programs to verify the performance rating of these products, provide annual

reports of all test results, and maintain a publicly available list of all certified models, among other criteria.

## **Title V: MISCELLANEOUS**

Section 501: Amends funding authorizations for FY 2014-2018.

Section 502: States that for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, the budgetary effect of this legislation shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act.

Section 503: Provides that authorization of amounts under this Act and the amendments made by this Act shall be effective for any fiscal year only to the extent and in the amount provided in advance in appropriations Acts.