

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4785
OFFERED BY M . _____**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Rural Energy Savings
3 Program Act”.

4 SEC. 2. RURAL ENERGY SAVINGS PROGRAM.

5 (a) PURPOSE.—The purpose of this section is to cre-
6 ate and save jobs by providing loans to qualified con-
7 sumers who will use the loan proceeds to implement en-
8 ergy efficiency measures to achieve significant reductions
9 in energy costs, energy consumption, or carbon emissions.

10 (b) DEFINITIONS.—In this section:

11 (1) ELIGIBLE ENTITY.—The term “eligible enti-
12 ty” means—

13 (A) any public or cooperative electric util-
14 ity that is eligible to borrow from the Rural
15 Utilities Service electrification program author-
16 ized under the Rural Electrification Act of
17 1936 (7 U.S.C. 901 et seq.) that serves a rural
18 area defined by that Act;

1 (B) any current borrower of the Rural
2 Utilities Service electrification program author-
3 ized under that Act; or

4 (C) any entity primarily owned or con-
5 trolled by an entity described in subparagraph
6 (A) or (B).

7 (2) ENERGY EFFICIENCY MEASURE.—The term
8 “energy efficiency measure”, with respect to prop-
9 erty served by an eligible entity, means a structural
10 improvement and investment in a cost-effective, com-
11 mercial off-the-shelf technology to reduce energy use.

12 (3) QUALIFIED CONSUMER.—The term “quali-
13 fied consumer” means a consumer served by an eli-
14 gible entity that has the ability to repay a loan made
15 under subsection (d), as determined by an eligible
16 entity.

17 (4) QUALIFIED ENTITY.—The term “qualified
18 entity” means any organization that the Secretary
19 determines has significant experience in providing el-
20 igible entities with—

21 (A) advice on energy, environmental, en-
22 ergy efficiency, and information research and
23 technology;

24 (B) training, education, and consulting;

1 (C) guidance in energy and operational
2 issues and rural community and economic de-
3 velopment; and

4 (D) other relevant assistance, as deter-
5 mined by the Secretary.

6 (5) RURAL AREA.—The term “rural area”
7 means any area other than—

8 (A) a city or town that has a population of
9 greater than 50,000 inhabitants; and

10 (B) any urbanized area contiguous and ad-
11 jacent to a city or town described in subpara-
12 graph (A).

13 (6) SECRETARY.—The term “Secretary” means
14 the Secretary of Agriculture, acting through the
15 Rural Utilities Service.

16 (c) LOANS TO ELIGIBLE ENTITIES.—

17 (1) LOANS AUTHORIZED.—Subject to para-
18 graph (2), the Secretary shall make loans to an eli-
19 gible entity that agrees that the loan funds will be
20 used to make loans to qualified consumers as de-
21 scribed in subsection (d) for the purpose of imple-
22 menting an energy efficiency measure.

23 (2) LIST, PLAN, AND MEASUREMENT AND
24 VERIFICATION REQUIRED.—

1 (A) IN GENERAL.—As a condition to re-
2 ceiving a loan under paragraph (1), an eligible
3 entity shall—

4 (i) establish a list of energy efficiency
5 measures expected to decrease energy use
6 or costs of a qualified consumer;

7 (ii) prepare an implementation plan
8 for use of the loan funds to ensure that a
9 loan to a qualified consumer is at least
10 commensurate with the expected energy
11 savings the qualified consumer shall expect
12 to receive from the activities funded by the
13 loan; and

14 (iii) provide for appropriate measure-
15 ment and verification to ensure the effec-
16 tiveness of the energy efficiency loans
17 made by the eligible entity.

18 (B) REVISION OF LIST OF ENERGY EFFI-
19 CIENCY MEASURES.—An eligible entity may up-
20 date the list required under subparagraph
21 (A)(i) to account for newly available efficiency
22 technologies, subject to the approval of the Sec-
23 retary.

24 (C) EXISTING ENERGY EFFICIENCY PRO-
25 GRAMS.—An eligible entity that, on or before

1 the date of the enactment of this Act or within
2 60 days after such date, has already established
3 an energy efficiency program for qualified con-
4 sumers may use an existing list of energy effi-
5 ciency measures, implementation plans, or
6 measurement and verification systems to satisfy
7 the requirements of subparagraph (A) if the
8 Secretary determines the list, plans, or systems
9 are consistent with the purposes of sub section
10 (a).

11 (3) LOAN TERMS FOR LOANS TO ELIGIBLE EN-
12 TITIES.—

13 (A) NO INTEREST.—A loan made to an eli-
14 gible entity under paragraph (1) shall bear no
15 interest.

16 (B) REPAYMENT.—With respect to a loan
17 under paragraph (1)—

18 (i) the term shall not exceed 20 years
19 from the date the loan is closed; and

20 (ii) except as provided in subpara-
21 graph (D), the repayment of each advance
22 shall be amortized for a period not to ex-
23 ceed 10 years.

24 (C) AMOUNT OF ADVANCES.—Any advance
25 of loan funds to an eligible entity in any single

1 year shall not exceed 30 percent of the ap-
2 proved loan amount.

3 (D) SPECIAL ADVANCE FOR START-UP AC-
4 TIVITIES.—

5 (i) IN GENERAL.—In order to assist
6 an eligible entity in defraying initial start-
7 up costs, the Secretary shall allow an eligi-
8 ble entity to request a special advance.

9 (ii) AMOUNT OF SPECIAL ADVANCE.—
10 No eligible entity may receive a special ad-
11 vance under this subparagraph for an
12 amount that is greater than 4 percent of
13 the loan amount received by the eligible en-
14 tity under paragraph (1).

15 (iii) REPAYMENT.—The repayment of
16 the special advance shall be required with-
17 in 10 years after the special advance is
18 made and, at the election of the eligible en-
19 tity, may be deferred to the end of the 10-
20 year period.

21 (E) LIMITATION ON ADVANCES.—All ad-
22 vances shall be made under a loan described in
23 paragraph (1) within the first 10 years of the
24 term of the loan.

25 (d) LOANS TO QUALIFIED CONSUMERS.—

1 (1) TERMS OF LOANS.—Loans made by an eli-
2 gible entity to qualified consumers using loan funds
3 provided by the Secretary under subsection (c)—

4 (A) may bear interest, not to exceed three
5 percent, to be used by the eligible entity for
6 purposes such as establishing a loan loss re-
7 serve and to offset personnel and program costs
8 of the eligible entity to provide the loans;

9 (B) shall finance energy efficiency meas-
10 ures for the purpose of decreasing energy usage
11 or costs of a qualified consumer by an amount
12 such that a loan term of not more than 10
13 years will not pose an undue financial burden
14 on the qualified consumer, as determined by the
15 eligible entity;

16 (C) shall not be used to fund purchases of,
17 or modifications to, personal property unless
18 the personal property—

19 (i) is or becomes attached to real
20 property as a fixture; or

21 (ii) is a manufactured home;

22 (D) shall be repaid through charges added
23 to the electric bill for the property for, or at
24 which energy efficiency measures are or will be

1 implemented, except that this requirement shall
2 not be construed to prohibit—

3 (i) the voluntary prepayment of a loan
4 by the owner of the property; or

5 (ii) the use of any additional repay-
6 ment mechanisms that are—

7 (I) demonstrated to have appro-
8 priate risk mitigation features, as de-
9 termined by the eligible entity; or

10 (II) required if the qualified con-
11 sumer is no longer a customer of the
12 eligible entity; and

13 (E) shall require an energy audit to deter-
14 mine the impact of proposed energy efficiency
15 measures on the energy costs and consumption
16 of the qualified consumer.

17 (2) CONTRACTORS.—In addition to any other
18 qualified general contractor, eligible entities may
19 serve as general contractors.

20 (3) USE OF OTHER ENERGY EFFICIENCY IN-
21 CENTIVES.—Energy efficiency incentives made avail-
22 able under any other Act, including rebates, grants,
23 or any other payments, may be used to reduce the
24 amount of a loan made under this subsection to

1 qualified consumers in order to meet the require-
2 ment of paragraph (1)(B).

3 (e) MEASUREMENT, VERIFICATION, TRAINING, AND
4 TECHNICAL ASSISTANCE.—

5 (1) DUTIES OF THE SECRETARY.—Not later
6 than 60 days after the date of enactment of this
7 Act, the Secretary shall—

8 (A) develop a protocol for eligible entities
9 and qualified entities to use in measuring en-
10 ergy consumption and verifying the effective-
11 ness of energy efficiency measures;

12 (B) establish a measurement and
13 verification advisory committee consisting of
14 representatives of eligible entities and qualified
15 entities;

16 (C) enter into one or more cooperative
17 agreements with qualified entities to provide
18 technical assistance and training to the employ-
19 ees of eligible entities to carry out this section;
20 and

21 (D) establish a process to compile and
22 maintain a directory of energy efficiency audi-
23 tors that are used by eligible entities to carry
24 out this section.

25 (2) EXCEPTION.—

1 (A) The Secretary shall not utilize the au-
2 thority provided under this subsection to—

3 (i) develop, adopt, or implement a
4 public labeling system that rates and com-
5 pares the energy performance among quali-
6 fied consumers; or

7 (ii) require the public disclosure of an
8 energy performance evaluation or rating
9 developed for any qualified consumer.

10 (B) Nothing in this paragraph shall pre-
11 clude—

12 (i) the computation, collection, or use,
13 by the Secretary, eligible entity, or quali-
14 fied entity for the purposes aggregating in-
15 formation on the rating and comparison of
16 the energy performance among qualified
17 consumers with and without energy effi-
18 ciency features or on energy performance
19 evaluation or rating;

20 (ii) the use and publication of aggre-
21 gate data (without identifying individual
22 qualified consumers) based on information
23 referred to in clause (i) to determine or
24 demonstrate the performance of this pro-
25 gram; or

1 (iii) the provision of information re-
2 ferred to in clause (i) with respect to a
3 qualified consumer:

4 (I) to the State, eligible con-
5 sumer, eligible entity, or qualified en-
6 tity, as necessary to enable carrying
7 out this Act; or

8 (II) for purposes of prosecuting
9 fraud and abuse.

10 (f) FAST START DEMONSTRATION PROJECTS.—

11 (1) DEMONSTRATION PROJECTS REQUIRED.—

12 The Secretary shall enter into agreements with eligi-
13 ble entities (or groups of eligible entities) that have
14 established an energy efficiency program described
15 in subsection (c)(2)(C) to establish an energy effi-
16 ciency loan demonstration projects consistent with
17 the purposes of this section that—

18 (A) implement approaches to energy audits
19 and investments in energy efficiency measures
20 that yield measurable and predictable savings;

21 (B) use measurement and verification
22 processes to determine the effectiveness of en-
23 ergy efficiency loans made by eligible entities;

24 (C) include training for employees of eligi-
25 ble entities, including any contractors of such

1 entities, to implement or oversee the activities
2 described in subparagraphs (A) and (B);

3 (D) provide for the participation of a ma-
4 jority of eligible entities in a State;

5 (E) reduce the need for generating capac-
6 ity;

7 (F) provide efficiency loans to—

8 (i) not fewer than 20,000 consumers,
9 in the case of a single eligible entity; or

10 (ii) not fewer than 80,000 consumers,
11 in the case of a group of eligible entities;

12 and

13 (G) serve areas where a large percentage
14 of consumers reside—

15 (i) in manufactured homes; or

16 (ii) in housing units that are more
17 than 50 years old.

18 (2) DEADLINE FOR IMPLEMENTATION.—The
19 agreements required by paragraph (1) shall be en-
20 tered into not later than 90 days after the date of
21 enactment of this Act.

22 (3) EFFECT ON AVAILABILITY OF LOANS NA-
23 TIONALLY.—Nothing in this subsection shall delay
24 the availability of loans to eligible entities on a na-

1 tional basis beginning not later than 180 days after
2 the date of the enactment of this Act.

3 (4) ADDITIONAL DEMONSTRATION PROJECT AU-
4 THORITY.—The Secretary may conduct demonstra-
5 tion projects in addition to the project required by
6 paragraph (1). An additional demonstration project
7 may be carried out without regard to subparagraphs
8 (D), (F), or (G) of paragraph (1).

9 (g) ADDITIONAL AUTHORITY.—The authority pro-
10 vided in this section is in addition to any authority of the
11 Secretary to offer loans under any other law.

12 (h) AUTHORIZATION OF APPROPRIATIONS.—

13 (1) IN GENERAL.—There is authorized to be
14 appropriated to the Secretary \$993,000,000 to carry
15 out this section, which shall remain available until
16 expended.

17 (2) RURAL UTILITIES SERVICE.—There is au-
18 thorized to be appropriated \$1,100,000 for each of
19 the fiscal years 2010 through 2019 for ten addi-
20 tional employees of Rural Utilities Service to carry
21 out this section.

22 (i) EFFECTIVE PERIOD.—Subject to subsection
23 (h)(1) and except as otherwise provided in this section,
24 the loans and other expenditures required to be made

1 under this section are authorized to be made during each
2 of fiscal years 2010 through 2014.

3 (j) REPORTING REQUIREMENT.—Not later than one
4 year after the date of the enactment of this Act, the Sec-
5 retary shall submit to the Committee on Agriculture, Nu-
6 trition, and Forestry of the Senate and the Committee on
7 Agriculture of the House of Representatives a report de-
8 scribing the implementation of this section.

9 (k) REGULATIONS.—

10 (1) IN GENERAL.—Except as otherwise pro-
11 vided in this subsection, not later than 180 days
12 after the date of enactment of this section, the Sec-
13 retary shall promulgate such regulations as are nec-
14 essary to implement this section.

15 (2) PROCEDURE.—The promulgation of the reg-
16 ulations and administration of this section shall be
17 made without regard to—

18 (A) chapter 35 of title 44, United States
19 Code (commonly known as the “Paperwork Re-
20 duction Act”); and

21 (B) the Statement of Policy of the Sec-
22 retary of Agriculture effective July 24, 1971
23 (36 Fed. Reg. 13804), relating to notices of
24 proposed rulemaking and public participation in
25 rulemaking.

1 (3) CONGRESSIONAL REVIEW OF AGENCY RULE-
2 MAKING.—In carrying out this section, the Secretary
3 shall use the authority provided under section 808 of
4 title 5, United States Code.

5 (4) INTERIM REGULATIONS.—Notwithstanding
6 paragraphs (1) and (2), to the extent regulations are
7 necessary to carry out any provision of this section,
8 the Secretary shall implement such regulations
9 through the promulgation of an interim rule.

Amend the title so as to read: “A bill to authorize the Secretary of Agriculture to make loans to certain entities that agree that the funds will be used to make loans to consumers to implement energy efficiency measures involving structural improvements and investments in cost-effective, commercial off-the-shelf technologies to reduce energy use, and for other purposes.”.

