(C) an effective plan for evaluation, measurement, and verification of energy savings; and

(D) the financial need of the applicant.

(3) LIMITATION ON INDIVIDUAL GRANT AMOUNT.—Each grant awarded under this section shall not exceed $200,000.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2021 through 2030, to remain available until expended.

Subtitle D—HOMES

SEC. 331. DEFINITIONS.

In this subtitle:

(1) ENERGY AUDIT.—The term “energy audit” means an inspection, survey, and analysis of the energy use of a building, including the building envelope and HVAC system.

(2) HOME.—The term “home” means a residential dwelling unit in a building with no more than 4 dwelling units that—

(A) is located in the United States;

(B) was constructed before the date of enactment of this Act; and

(C) is occupied at least six months out of the year.
(3) **HOME ENERGY SAVINGS RETROFIT REBATE PROGRAM.**—The term “Home Energy Savings Retrofit Rebate Program” means the Home Energy Savings Retrofit Rebate Program established under section 332.

(4) **HOMEOWNER.**—The term “homeowner” means the owner of an owner-occupied home or a tenant-occupied home.

(5) **HVAC SYSTEM.**—The term “HVAC system” means a system—

(A) consisting of a heating component, a ventilation component, and an air-conditioning component; and

(B) which components may include central air conditioning, a heat pump, a furnace, a boiler, a rooftop unit, a window unit, and a chiller.

(6) **MEASURED PERFORMANCE REBATE.**—The term “measured performance rebate” means a rebate provided in accordance with section 334 and described in subsection (e) of that section.

(7) **MODELED PERFORMANCE REBATE.**—The term “modeled performance rebate” means a rebate provided in accordance with section 334 and described in subsection (d) of that section.
(8) PARTIAL SYSTEM REBATE.—The term “partial system rebate” means a rebate provided in accordance with section 333.

(9) SECRETARY.—The term “Secretary” means the Secretary of Energy.

(10) STATE.—The term “State” includes—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

(D) Guam;

(E) American Samoa;

(F) the Commonwealth of the Northern Mariana Islands;

(G) the United States Virgin Islands; and

(H) any other territory or possession of the United States.

(11) STATE ENERGY OFFICE.—The term “State energy office” means the office or agency of a State responsible for developing the State energy conservation plan for the State under section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322).
SEC. 332. ESTABLISHMENT OF HOME ENERGY SAVINGS RETROFIT REBATE PROGRAM.

The Secretary shall establish a program, to be known as the Home Energy Savings Retrofit Rebate Program, to—

1. provide rebates in accordance with section 333; and
2. provide grants to States to carry out programs to provide rebates in accordance with section 334.

SEC. 333. PARTIAL SYSTEM REBATES.

(a) AMOUNT OF REBATE.—In carrying out the Home Energy Savings Retrofit Rebate Program, and subject to the availability of appropriations for such purpose, the Secretary shall provide a homeowner a rebate, to be known as a partial system rebate, of up to—

1. $800 for the installation of insulation and air sealing within a home of the homeowner; and
2. $1,500 for the installation of insulation and air sealing within a home of the homeowner and replacement of an HVAC system, the heating component of an HVAC system, or the cooling component of an HVAC system, of such home.

(b) SPECIFICATIONS.—

1. COST.—The amount of a partial system rebate provided under this section shall not exceed 30
percent of cost of installation of insulation and air
sealing under subsection (a)(1), or installation of in-
sulation and air sealing and replacement of an
HVAC system, the heating component of an HVAC
system, or the cooling component of an HVAC sys-
tem, under subsection (a)(2). Labor may be included
in such cost but may not exceed—

(A) in the case of a rebate under sub-
section (a)(1), 50 percent of such cost; and

(B) in the case of a rebate under sub-
section (a)(2), 25 percent of such cost.

(2) AIR SEALING.—Not later than 60 days after
the date of enactment of this Act, the Secretary
shall issue specifications for air sealing to qualify for
a partial system rebate under this section. For any
area that has the exterior wall exposed and acces-
sible, and for which it is not required to remove
plaster or a basement wall board to access such wall,
such specifications for air sealing shall be consistent
with the Energy Star Home Sealing Specification.

(3) REPLACEMENT OF AN HVAC SYSTEM, THE
HEATING COMPONENT OF AN HVAC SYSTEM, OR THE
COOLING COMPONENT OF AN HVAC SYSTEM.—In
order to qualify for a partial system rebate described
in subsection (a)(2)—
(A) any HVAC system, heating component of an HVAC system, or cooling component of an HVAC system installed shall be Energy Star Most Efficient certified;

(B) installation of such an HVAC system, the heating component of an HVAC system, or the cooling component of an HVAC system, shall be completed in accordance with standards specified by the Secretary that are at least as stringent as the applicable guidelines of the Air Conditioning Contractors of America that are in effect on the date of enactment of this Act;

(C) if ducts are present, replacement of an HVAC system, the heating component of an HVAC system, or the cooling component of an HVAC system shall include duct sealing; and

(D) the installation of insulation and air sealing shall occur within 6 months of the replacement of the HVAC system, the heating component of an HVAC system, or the cooling component of an HVAC system.

(c) ADDITIONAL INCENTIVES FOR CONTRACTORS.—

In carrying out the Home Energy Savings Retrofit Rebate Program, the Secretary may provide a $250 payment to a contractor per home for which—
(1) a partial system rebate is provided under this section for the installation of insulation and air sealing, or installation of insulation and air sealing and replacement of an HVAC system, the heating component of an HVAC system, or the cooling component of an HVAC system, by the contractor;

(2) the applicable homeowner has signed and submitted to the Secretary a release form made available pursuant to section 336(c) authorizing the contractor access to information in the utility bills of the homeowner; and

(3) the contractor inputs, into the Department of Energy’s Building Performance Database—

   (A) the energy usage for the home for the 12 months preceding, and the 24 months following, the installation of insulation and air sealing or installation of insulation and air sealing and replacement of an HVAC system, the heating component of an HVAC system, or the cooling component of an HVAC system;

   (B) a description of such installation or installation and replacement; and

   (C) the total cost to the homeowner for such installation or installation and replacement.
(d) PROCESS.—

(1) FORMS; REBATE PROCESSING SYSTEM.—
Not later than 90 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of the Treasury, shall—

(A) develop and make available rebate forms required to receive a partial system rebate under this section;

(B) establish a Federal rebate processing system which shall serve as a database and information technology system that will allow homeowners to submit required rebate forms; and

(C) establish a website that provides information on partial system rebates provided under this section, including how to determine whether particular measures qualify for a rebate under this section and how to receive such a rebate.

(2) SUBMISSION OF FORMS.—In order to receive a partial system rebate under this section, a homeowner shall submit the required rebate forms, and any other information the Secretary determines appropriate, to the Federal rebate processing system established pursuant to paragraph (1).
(e) FUNDING.—

(1) LIMITATION.—For each fiscal year, to carry out this section, the Secretary may not use more than 50 percent of the amounts made available to carry out this subtitle.

(2) ALLOCATION.—The Secretary shall allocate amounts made available to carry out this section for partial system rebates in States using the same formula as is used to allocate funds for States under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.).

SEC. 334. STATE ADMINISTERED REBATES.

(a) FUNDING.—In carrying out the Home Energy Savings Retrofit Rebate Program, and subject to the availability of appropriations for such purpose, the Secretary shall provide grants to States to carry out programs to provide rebates in accordance with this section.

(b) STATE PARTICIPATION.—

(1) PLAN.—In order to receive a grant under this section a State shall submit to the Secretary an application that includes a plan to implement a State program that meets the minimum criteria under subsection (c).

(2) APPROVAL.—Not later than 60 days after receipt of a completed application for a grant under
this section, the Secretary shall either approve the application or provide to the applicant an explanation for denying the application.

(c) Minimum Criteria for State Programs.—Not later than 6 months after the date of enactment of this Act, the Secretary shall establish minimum criteria for a State program to meet to qualify for funding under this section, including—

(1) that the State program be carried out by the applicable State energy office;

(2) that a rebate be provided under a State program only for a home energy efficiency retrofit that—

(A) is completed by a contractor who meets minimum training requirements and certification requirements set forth by the Secretary;

(B) includes installation of one or more home energy efficiency retrofit measures for a home that together are modeled to achieve, or are shown to achieve, a reduction in home energy use of 20 percent or more from the baseline energy use of the home;

(C) does not include installation of any measure that the Secretary determines does not
improve the thermal energy usage of the home,
such as a pool pump, pool heater, spa, or EV
charger; and

(D) includes, after installation of the appli-
cable home energy efficiency retrofit measures,
a test-out procedure conducted in accordance
with guidelines issued by the Secretary of such
measures to ensure—

(i) the safe operation of all systems
post retrofit; and

(ii) that all improvements are included
in, and have been installed according to—

(I) manufacturers installation
specifications; and

(II) all applicable State and local
codes or equivalent standards ap-
proved by the Secretary;

(3) that the State program utilizes—

(A) for purposes of modeled performance
rebates, modeling software approved by the Sec-
retary for determining and documenting the
baseline energy use of a home and the reduc-
tions in home energy use resulting from the im-
plementation of a home energy efficiency ret-
rofit; and
(B) for purposes of measured performance rebates, methods and procedures approved by the Secretary for determining and documenting the baseline energy use of a home and the reductions in home energy use resulting from the implementation of a home energy efficiency retrofit, including methods and procedures for use of advanced metering infrastructure, weather-normalized data, and open source standards, to measure such baseline energy use and such reductions in home energy use;

(4) that the State program includes implementation of a quality assurance program—

(A) to ensure that home energy efficiency retrofits are achieving the stated level of energy savings, that efficiency measures were installed correctly, and that work is performed in accordance with procedures developed by the Secretary, including through quality-control inspections for a portion of home energy efficiency retrofits completed by each applicable contractor; and

(B) under which a quality-control inspection of a home energy efficiency retrofit is performed by a quality assurance provider who—
(i) is independent of the contractor
for such retrofit; and
(ii) will confirm that such contractor
is a contractor who meets minimum train-
ing requirements and certification require-
ments set forth by the Secretary;
(5) that the State program includes require-
ments for a homeowner, contractor, or rebate
aggregator to claim a rebate, including that the
homeowner, contractor, or rebate aggregator submit
any applicable forms approved by the Secretary to
the State, including a copy of the certificate pro-
vided by the applicable contractor certifying pro-
jected or measured reduction of home energy use;
(6) that the State program may include require-
ments for an entity to be eligible to serve as a rebate
aggregator to facilitate the delivery of rebates to
homeowners or contractors;
(7) that the State program includes procedures
for a homeowner to transfer the right to claim a re-
bate to the contractor performing the applicable
home energy efficiency retrofit or to a rebate
aggregator that works with the contractor; and
(8) that the State program provides that a
homeowner, contractor, or rebate aggregator may
claim more than one rebate under the State pro-
gram, and may claim a rebate under the State pro-
gram after receiving a partial system rebate under
section 333, provided that no 2 rebates may be pro-
vided with respect to a home using the same baseline
energy use of such home.

(d) MODELED PERFORMANCE REBATES.—

(1) IN GENERAL.—In carrying out a State pro-
gram under this section, a State may provide a
homeowner, contractor, or rebate aggregator a re-
bate, to be known as a modeled performance rebate,
for an energy audit of a home and a home energy
efficiency retrofit that is projected, using modeling
software approved by the Secretary, to reduce home
energy use by at least 20 percent.

(2) AMOUNT.—

(A) IN GENERAL.—Subject to subpara-
graph (B), the amount of a modeled perform-
ance rebate provided under a State program
shall be equal to 50 percent of the cost of the
applicable energy audit of a home and home en-
ergy efficiency retrofit, including the cost of di-
agnostic procedures, labor, reporting, and mod-
ing.
(B) LIMITATION.—With respect to an energy audit and home energy efficiency retrofit that is projected to reduce home energy use by—

(i) at least 20 percent, but less than 40 percent, the maximum amount of a modeled performance rebate shall be $2,000; and

(ii) at least 40 percent, the maximum amount of a modeled performance rebate shall be $4,000.

(c) MEASURED PERFORMANCE REBATES.—

(1) IN GENERAL.—In carrying out a State program under this section, a State may provide a homeowner, contractor, or rebate aggregator a rebate, to be known as a measured performance rebate, for a home energy efficiency retrofit that reduces home energy use by at least 20 percent as measured using methods and procedures approved by the Secretary.

(2) AMOUNT.—

(A) IN GENERAL.—Subject to subparagraph (B), the amount of a measured performance rebate provided under a State program shall be equal to 50 percent of the cost, includ-
ing the cost of diagnostic procedures, labor, reporting, and energy measurement, of the applicable home energy efficiency retrofit.

(B) LIMITATION.—With respect to a home energy efficiency retrofit that is measured as reducing home energy use by—

(i) at least 20 percent, but less than 40 percent, the maximum amount of a measured performance rebate shall be $2,000; and

(ii) at least 40 percent, the maximum amount of a measured performance rebate shall be $4,000.

(f) COORDINATION OF REBATE AND EXISTING STATE-SPONSORED OR UTILITY-SPONSORED PROGRAMS.—A State that receives a grant under this section is encouraged to work with State agencies, utilities, State-sponsored nonprofits, and other entities—

(1) to assist in marketing the availability of the rebates under the applicable State program;

(2) to coordinate with utility or State managed financing programs;

(3) to assist in implementation of the applicable State program, including installation of home energy efficiency retrofits; and
(4) to coordinate with existing quality assurance programs.

(g) **Administration and Oversight.**—

(1) **Review of Approved Modeling Software.**—The Secretary shall, on an annual basis, list and review all modeling software approved for use in determining and documenting the reductions in home energy use for purposes of modeled performance rebates under subsection (d). In approving such modeling software each year, the Secretary shall ensure that modeling software approved for a year will result in modeling of energy efficiency gains for any type of home energy efficiency retrofit that is at least as substantial as the modeling of energy efficiency gains for such type of home energy efficiency retrofit using the modeling software approved for the previous year.

(2) **Oversight.**—If the Secretary determines that a State is not implementing a State program that was approved pursuant to subsection (b) and that meets the minimum criteria under subsection (c), the Secretary may, after providing the State a period of at least 90 days to meet such criteria, withhold grant funds under this section from the State.
SEC. 335. EVALUATION REPORTS TO CONGRESS.

(a) IN GENERAL.—Not later than 3 years after the date of enactment of this Act and annually thereafter until the termination of the Home Energy Savings Retrofit Rebate Program, the Secretary shall submit to Congress a report on the use of funds made available to carry out this Act.

(b) CONTENTS.—Each report submitted under subsection (a) shall include—

(1) how many home energy efficiency retrofits have been completed during the previous year under the Home Energy Savings Retrofit Rebate Program;

(2) an estimate of how many jobs have been created through the Home Energy Savings Retrofit Rebate Program, directly and indirectly;

(3) a description of what steps could be taken to promote further deployment of energy efficiency and renewable energy retrofits;

(4) a description of the quantity of verifiable energy savings, homeowner energy bill savings, and other benefits of the Home Energy Savings Retrofit Rebate Program;

(5) a description of any waste, fraud, or abuse with respect to funds made available to carry out this Act; and
(6) any other information the Secretary considers appropriate.

SEC. 336. ADMINISTRATION.

(a) In General.—The Secretary shall provide such administrative and technical support to contractors, rebate aggregators, States, and Indian Tribes as is necessary to carry out this Act.

(b) Appointment of Personnel.—Notwithstanding the provisions of title 5, United States Code, regarding appointments in the competitive service and General Schedule classifications and pay rates, the Secretary may appoint such professional and administrative personnel as the Secretary considers necessary to carry out this Act.

(c) Information Collection.—The Secretary shall establish, and make available to a homeowner, or the homeowner’s designated representative, seeking a rebate under this Act, release forms authorizing access by the Secretary, or a designated third-party representative to information in the utility bills of the homeowner with appropriate privacy protections in place.

SEC. 337. TREATMENT OF REBATES.

For purposes of the Internal Revenue Code of 1986, gross income shall not include any rebate received under this Act.
SEC. 338. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Secretary to carry out this subtitle $1,000,000,000 for each of fiscal years 2021 through 2030, to remain available until expended.

(b) MAINTENANCE OF FUNDING.—Each State receiving Federal funds pursuant to this Act shall provide reasonable assurances to the Secretary that it has established policies and procedures designed to ensure that Federal funds provided under this Act will be used to supplement, and not to supplant, State and local funds.

(c) TRIBAL ALLOCATION.—Of the amounts made available pursuant to subsection (a) for a fiscal year, the Secretary shall work with Indian Tribes and use 2 percent of such amounts to carry out a program or programs that as close as possible reflect the goals, requirements, and provisions of this Act, taking into account any factors that the Secretary determines to be appropriate.

Subtitle E—Energy Savings Performance Contracts

SEC. 341. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) ENERGY MANAGEMENT REQUIREMENTS.—Section 543(f)(4) of the National Energy Conservation Policy Act (42 U.S.C. 8253(f)(4)) is amended—

(1) by striking subparagraph (B);