

House Comprehensive Energy Bill

Both the House and Senate energy committees are currently in the process of developing a comprehensive energy bill. The House Energy & Commerce Committee released a “Discussion Draft” of the energy efficiency title of the bill in April and conducted a hearing to discuss the draft on April 30th. Subsequently, the Committee released an updated draft of the efficiency title on July 20th, which was approved by the Energy and Power Subcommittee on July 22nd. Full Committee mark-up is expected in September.

Provisions

The following provisions were included the updated draft.

Section 4111 – Energy-efficient and energy-saving information technologies

Drawing from H.R. 1268, introduced by Rep. Eshoo (D-Calif.), this section requires Federal agencies to coordinate with the Office of Management and Budget (OMB), Department of Energy (DOE), and the Environmental Protection Agency (EPA) to develop an implementation strategy – that includes best practices and measurement and verification techniques – for the maintenance, purchase, and use of energy-efficient and energy saving information technologies. OMB would be required to track and report on each agency’s progress. This provision was also included in H.R. 873 – the Energy Efficiency Improvement Act of 2015.

Section 4112 – Energy efficient data centers

Also drawing from H.R. 1268, this section seeks to improve the energy efficiency of Federal data centers by, among other items, requiring DOE to update a 2007 report on data center energy efficiency and maintain a data center energy practitioner certification program. DOE also would establish an open data initiative to help share best practices and support further innovation, and develop a metric that measures data center energy efficiency. This provision was also included in H.R. 873 – the Energy Efficiency Improvement Act of 2015.

Section 4113 – Report on energy and water savings potential from thermal insulation

Based on H.R. 568, introduced by Reps. Kinzinger (R-Ill.) and McNerney (D-Calif.), this section directs the DOE to submit a report within 1 year on the impact of thermal insulation on both energy and water use systems for potable hot and chilled water in Federal buildings and on the return on investment of installing the insulation. The report must include: (1) an analysis based on the cost of municipal or regional water for delivered water and the avoided cost of new water; and (2) a summary of energy and water savings, including short-term and long-term (20 years) projections of such savings.

Section 4114 – Federal purchase requirement

This section expands the definition of “renewable energy” in section 203 of the Energy Policy Act of 2005 to include thermal energy and qualified waste heat resources. The section also modifies the term “municipal solid waste” by excluding certain commonly recycled paper.

Section 4121 – Inclusion of Smart Grid capability on Energy Guide labels

Drawing from H.R. 2245, introduced by Reps. Ellmers (R-N.C.) and McNerney (D-Calif.), this section directs the Federal Trade Commission to initiate a rulemaking to develop Energy Guide labels that promote the smart grid capabilities of certain products.

Section 4122 – Voluntary verification programs for air conditioning, furnace, boiler, heat pump and water heater products

This section draws from H.R. 1785 from Rep. Latta (R-Ohio), which is also featured in H.R. 2177 from Reps. McKinley (R-W.V.) and Welch (D-Vt.) and would require DOE to recognize voluntary verification programs for air conditioning, furnace, boiler, heat pump, and water heating products to demonstrate compliance with DOE energy efficiency and conservation standards and the Energy Star program.

Section 4123 – Facilitating Consensus Furnace Standards

This section provides gas furnace stakeholders the opportunity to continue negotiations to facilitate the proposal for adoption of gas furnace standards that enjoy consensus support, while not delaying the current rulemaking, except to the extent necessary to provide such opportunity.

Section 4124 – Future of Industry Program

Drawing from H.R. 2177, introduced by Reps. McKinley (R-W.V.) and Welch (D-Vt.), this section directs DOE-funded higher education-based Industrial Assessment Centers (IACs) to identify opportunities for optimizing energy efficiency and environmental performance, including implementation of information technology advancements for supply chain analysis, logistics, system monitoring, and industrial and manufacturing processes. IACs also are directed to coordinate with the Manufacturing Extension Partnership Centers of the National Institute of Standards and Technology and DOE's Building Technologies Program to increase partnerships with the national laboratories and energy service and technology providers to leverage private sector expertise.

Section 4131 – Use of energy and water efficiency measures in Federal buildings

The contents of this section were taken from H.R. 1629, introduced by Rep. Kinzinger (R-Ill.), and would accomplish several things:

- Requires DOE to report on the status of each Federal agency's energy savings performance contracts and utility energy service contracts, the investment value of such contracts, the guaranteed energy savings for the previous year as compared to the actual energy savings for the previous year, the plan for entering into such contracts in the coming year, and information explaining why any previously submitted plans for such contracts were not implemented;
- Prohibits Federal agencies from limiting the recognition of operation and maintenance savings associated with systems modernized or replaced with the implementation of energy conservation measures, water conservation measures, or any series of energy conservation measures and water conservation measures;

- Clarifies that Federal agency payments of energy, water and wastewater treatment expenses, pursuant to an energy savings performance contract or utility energy service contracts shall include related operation and maintenance expenses; and
- Revises the definition of “energy savings” to include (1) the use, sale, or transfer of energy incentives, rebates, or credits (including renewable energy credits) from governments or utilities; and (2) any revenue generated from a reduction in energy or water use, more efficient waste recycling, or additional energy generated from more efficient equipment.

Section 4141 – Coordination of energy retrofitting assistance for schools

This section draws from H.R. 756, introduced by Rep. Cartwright (D-Pa.), and amends the Energy Policy and Conservation Act to direct DOE to establish a clearinghouse to disseminate information regarding available programs and financing mechanisms that may be used to help initiate, develop, and finance energy efficiency, distributed generation, and energy retrofitting projects for schools. DOE must: (1) consult with appropriate agencies to develop a list of programs and financing mechanisms that are, or may be, used for the projects, and (2) coordinate with appropriate agencies to develop a collaborative education and outreach effort to streamline communications and promote the programs and financing mechanisms.

Omitted Provisions

The following provisions were included in the original draft language of the comprehensive bill, but were not included in the updated draft. The Section numbers refer to the sections of the original draft.

Section 4115 – Repeal of fossil fuel consumption percentage reduction requirements for Federal buildings

Repeals a provision included in section 433 of the Energy Independence and Security Majority Memorandum for April 30, 2015, Subcommittee on Energy and Power Hearing Page 5 Act of 2007 that requires a 100 percent reduction in “fossil fuel-generated energy” in all new and modified Federal buildings by the year 2030.

Section 4121 – No warranty for certain certified Energy Star products

This provision was based on H.R. 504, introduced by Rep. Latta (R-Ohio), and promotes continued development of energy efficient appliances through the Energy Star Program by deterring class action lawsuits that could undermine participation in the program.

Section 4124 – Residential non-weatherized gas furnaces and mobile home furnaces

Prohibits DOE from promulgating a final rule amending efficiency standards for non-weatherized gas furnaces and mobile home furnaces until an advisory group consisting of representative industry and efficiency stakeholders complete an analysis of, and make a determination regarding, the technical feasibility and economic justification of a nationwide efficiency standard that would effectively require a transition to condensing furnaces.

Section 4131 – Greater energy efficiency in building codes

This section was based on H.R. 1273, which was introduced by Reps. Blackburn (R-Tenn.) and Schrader (D-Ore.). It would require that DOE code change proposals: 1) are made available to the public, including calculations on costs and savings; 2) are subject to the official rulemaking process, allowing for public comment; and 3) take into account small business concerns. This section also prohibits DOE from advocating for certain technologies, building materials or construction practices and requires that any code or proposal supported by the DOE has a payback of ten years or less.

Section 4132 – Voluntary nature of building asset rating program

This section also draws from H.R. 1273 and clarifies that any DOE program that may enable the owner of a commercial building or a residential building to obtain a rating, score, or label regarding the actual or anticipated energy usage or performance of a building shall be made available on a voluntary, optional, and market-driven basis.

Section 4142 – Utility energy service contracts

Based on H.R. 1630 from Reps. Kinzinger (R-Ill.) and Welch (D-Vt.), this provision provides guidance to Federal agencies so that when they enter into Utility Energy Service Contracts (UESCs), the term limit for these contracts may extend beyond a contract period of ten years, but not to exceed twenty-five years, provided certain requirements are met.