# COMMISSION RECOMMENDATIONS – FEDERAL LEGISLATION UPDATED 9/17/13

Notes: Numbers in parentheses refer to the index of Commission recommendations. Italicized recommendations would help achieve a recommendation that was directed to another target.

## **Banking / Financial Services**

- Direct FHFA to set PACE guidelines to enable financing of home energy improvements (1.2.2
   also could be administrative)
  - Recent legislation: former Reps. Hayworth (R-N.Y.), Lungren (R-Calif.), and Rep. Thompson (D-Calif.), PACE Assessment Protection Act of 2011 (H.R. 2599)
    - Secure House Republican on the Financial Services Committee sponsor to partner with Representative Mike Thompson.
    - Engage House leads on potential Senate sponsors who serve on the Banking Committee.
    - Supported by a broad coalition of stakeholders: Dow Chemical, Ingersoll Rand, Johns Manville Corporation, Knauf Insulation, PG&E, Natural Resources Defense Council, National Association of Counties, National League of Cities, NASEO, among others.
    - Has been fierce opposition to PACE from Fannie Mae, Freddie Mac, and regulator FHFA.
    - Work collaboratively with other interested stakeholders to engage bill sponsors.
    - o Possible Lead Vice Chair- Sen. Warner (D-Va.) (to work with Sen. Bennet (D-Colo.))
- Direct HUD to consider energy efficiency in setting caps on mortgages (1.3.1 administrative)
  - Recent legislation: Sens. Bennet (D-Colo.) and Isakson (R-Ga.), SAVE Act of 2013 (S.Amdt. 1844 to S. 1392 & S. 1106)
    - O Potentially secure bipartisan House sponsors who serve on the Financial Services Committee (Reps. McCarthy (R-Calif.) & Perlmutter (D-Colo.) have expressed interest in sponsoring the counterpart).
    - Supported by U.S. Chamber of Commerce, the Appraisal Institute, the U.S. Green Building Council, the Natural Resources Defense Council and the Institute for Market Transformation, among others.
    - o National Association of Realtors has publicly endorsed this Congress.
    - o Possible Lead Vice Chair Sen. Warner (to work with Sens. Bennet and Isakson)

#### Finance / Ways & Means

- Reform and extend energy efficiency tax incentives (1.4.1)
   Recent legislation: former Sens. Snowe (R-Maine), Bingaman (D-N.M.) and Sen. Feinstein (D-Calif.), Cut Energy Bills at Home Act of 2011 (S. 1914 25E proposal), Expanding Industrial Energy & Water Efficiency Incentives Act of 2012 (S. 3352 48(c) and others), Commercial Building Modernization Act (S. 3591 179D)
  - Senator Dianne Feinstein who is the only remaining original sponsor of the proposals – has expressed an interest in partnering with Senator Ben Cardin (D-Md.) and another Republican to reintroduce these measures.
  - Measures were supported by a broad collation, including Efficiency First, RESNET, Natural Resources Defense Council, American Council for an Energy-Efficient Economy (ACEEE), National Electrical Manufacturers Association, among others.

- No known or publicly expressed opposition, but some reluctance to work on incentives pending tax reform.
- o Identify possible Republican co-sponsor.
- Re-assess interest of coalition mentioned above.
- Possible Lead Vice Chair Sen. Portman (R-Ohio) (to work with Sens. Feinstein and Cardin).
- Adjust depreciation schedules to encourage replacement of energy-using equipment (1.5.1)
   Recent legislation: Sens. Cardin and Crapo (R-Id.), Energy-Efficient Cool Roof Jobs Act (S. 1575)/Reps. Reed (R-N.Y.) and Pascrell (D-N.J.), Roofing Efficiency Jobs Act of 2011 (H.R. 2962); also was HVAC proposal but seems not to have been introduced.
  - Draft bipartisan proposal for House Ways & Means/Senate Finance Committee members to consider introducing that would address depreciation schedules for HVAC equipment (AC units, heat pumps, furnaces, boilers), water heaters, combined heat & power, roofs, and other commercial/industrial products.
  - Score could be problematic for political purposes, but many industry stakeholders would likely be supportive.
  - o Work with Cool Roof coalition to possibly expand depreciation adjustments
  - Identify possible bipartisan sponsors
  - o Possible Lead Vice Chair TBD

# **Energy and Natural Resources / Energy and Commerce**

- Create an energy productivity "Race to the Top" competition between states and local governments on energy policy innovation (2.1.1 administrative in part—could also change jurisdiction)
  - State Energy Race to the Top Initiative Act, S.Amdt. 1895 to S. 1392, introduced by Sens. Warner and Manchin (D-W.Va.).
  - Authorizing proposal will likely be needed.
  - Administration has indicated that it intends to call for \$200 million allocation in the President's Fiscal Year (FY) 2014 budget request.
  - Work with the Administration, Opower, NASEO, and others to develop a legislative proposal.
  - Identify bipartisan sponsors in House and Senate.
  - o Lead Vice-Chair: Sen. Warner
- Encourage updates to model codes, state adoption, and better compliance (2.6.1-2—administrative and state)
  - Recent legislation: Sens. Shaheen (D-N.H.) and Portman, Energy Savings and Industrial Competitiveness Act of 2013 (S. 1392, Sec. 101) and House counterpart (H.R. 1616) introduced by Reps. McKinley (R-W.Va.) and Welch (D-Vt.); Sens. Bingaman and Murkowski (R-Alaska), Implementation of National Consensus Appliance Agreements Act of 2011 (S. 398, part of Sec. 2 on preemption of codes)
    - o Shaheen and Portman introduced ESICA with codes provision.
    - Bill drew wide coalition in support, including Air-Conditioning, Heating, and Refrigeration Institute (AHRI), American Chemistry Council (ACC), ASHRAE, Environmental Defense Fund, Honeywell, Ingersoll Rand, League of Conservation Voters, National Associations of Manufacturers, Natural Resources Defense Council, Owens Corning, U.S. Chamber of Commerce, among others after compromise on codes language).
    - o May be support for harmful codes provision, at least in the House.
    - Consensus on INCAAA provision fell apart in dispute between manufacturers and utilities.

- Discuss with Shaheen and Portman to ensure inclusion of section of building codes in the revised bill.
- o Ensure coalition of supporters are still supportive of revised bill.
- o Possible Lead Vice Chair Sens. Shaheen and Portman.
- Direct DOE and EPA to support development of model building energy ratings, benchmarks, and disclosure methods (3.1.1 administrative)

Recent legislation: Rep. Waxman (D-Calif.) and then-Rep. Markey (D-Mass.), American Clean Energy and Security Act of 2009 (H.R. 2454, Sec. 204); Sens. Bennet and Ayotte (R-N.H.)/Reps. McKinley and Welch, Better Buildings Act (S.Amdt. 1847 to S. 1392/H.R. 2126, aka "TENANT STAR"); Sen. Franken (D-Minn.), (S.Amdt. 1855 to S. 1392) would promote benchmarking of large commercial buildings.

- Increasing number of large cities adopting commercial building benchmarking and disclosure requirements.
- National Association of Realtors fiercely opposed to residential labeling. May be less opposition on commercial side. But would want to make sure legislative fight does not interrupt current administrative action.
- Support for voluntary Energy Star benchmarking and for EIA energy surveys (CBECS and RECS), which provide baseline data, would be helpful.
- Commission recommended HUD use model building energy ratings, benchmarks, and disclosure methods for federally assisted housing. This recommendation may fall under jurisdiction of Banking/Financial Services Committees.
- o Consult with other advocates to gauge level of support for legislative action.
- o Draft legislative proposal based upon recent legislation above.
- o Possible Lead Vice Chair Sen. Coons (D-Del.)
- Direct DOE/EPA/FTC to develop harmonized efficiency labels (3.3.1 administrative; fuel economy labels under Commerce Committee jurisdiction)
  - Draft legislative proposal.
  - Identify bi-partisan sponsors.
  - o Possible Lead Vice Chair Sen. Wyden (D-Ore.)
- Encourage corporate energy management, including in federal supply chains (3.4.1-3 Supply Star—private sector)

Recent legislation: Sens. Shaheen and Portman/Reps. McKinley and Welch, Energy Savings and Industrial Competitiveness Act of 2013 (S. 1392/H.R. 1616, Sec. 311)

- Energy Star for Industry focused on energy management. DOE working on Superior Energy Performance program based on ISO 50001 energy management standard.
- Build support for bill when introduced
- o Possible Lead Vice Chair Sens. Shaheen and Portman
- Increase support for DOE and other federal efficiency programs (1.6.1-2) Recent legislation: Sens. Coons and Collins (R-Maine), Weatherization Enhancement and Local Energy Efficiency Investment and Accountability Act (S. 1213)
- Direct best practices in government buildings and fleets, including EMS, commissioning, and ratings/benchmarks/disclosure, and all cost-effective efficiency improvements (1.7.1, 1.8.1 may be Government or Transportation/EPW jurisdiction depending how it is drafted, and could be administrative)

Recent legislation: Reps. Carnahan and Westmoreland, High Performance Federal Buildings Act of 2011 (H.R. 3371); Sen. Carper (D-Del.), Reducing Federal Energy Dollars Act of 2011 (S. 963); the federal efficiency provisions in Sens. Shaheen and Portman/Reps. McKinley and Welch's S. 1392/H.R. 1616

- Review recent legislation above and ensure recommendation is address by introduced legislation
- Possible Lead Vice Chair Sen. Collins

## **Environment and Public Works / Transportation**

- Direct the Transportation Department and EPA to establish energy productivity standards for regional transportation plans (2.3.1)
   Recent legislation: Sens. Boxer and Inhofe, Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) Act of 2011 (S. 1813, Sec. 1108). Also Reps. Waxman and Markey, American
  - (MAP-21) Act of 2011 (S. 1813, Sec. 1108). Also Reps. Waxman and Markey, American Clean Energy and Security Act (HR 2454 in 111th Congress, Sec. 222) and former Sens. Kerry (D-Mass.) and Lieberman (I-Conn.), American Power Act (S. in 111th Congress, Sec. 1711-1712)
    - With the current law scheduled to expire at the end of 2014, a Surface
       Transportation Reauthorization process will need to be advanced. A shorter term
       Transportation reauthorization was enacted to address concerns about financing and
       overall costs.
    - Reintroduce Section 1108 of MAP-21, which would have replaced the existing Surface Transportation Program with the Transportation Mobility Program, and would have afforded states/regions the flexibility to invest in a broad set of multi-modal transit and planning options – including bicycle and pedestrian projects and travel demand management activities.
    - o Review previously introduced legislation and advocate for re-introduction.
    - o Possible Lead Vice Chair TBD
- Provide resources to promote efficient development patterns and transportation infrastructure (2.3.3)
  - Recent legislation: In addition to transportation reauthorization cited above, Sen. Rockefeller (D-W.Va.), American Infrastructure Investment Act of 2013 (S. 387)
    - Utilize provisions contained in the American Infrastructure Investment Act of 2013 that would establish the American Infrastructure Investment Fund at the Department of Transportation to:
      - Invest in projects that would improve U.S. economic output, productivity or competitiveness:
      - Afford funding for projects facing significant financial barriers due to multiple jurisdictions or modes of transportation;
      - Improve efficiency, safety and sustainability of a national/regional transportation network.
    - o Review introduced legislation to ensure recommendation is addressed.
    - o Identify possible Republican co-sponsor.
    - Possible Lead Vice Chair Sen. Pryor (D-Ark.)
- Ensure new water and wastewater infrastructure achieves both water efficiency and energy efficiency, and increase recycling (2.5.3)
  - Recent legislation: Sen. Boxer (D-Calif.), Water Resources Development Act (WRDA) of 2013 (S. 601); Sen. Merkley (D-Ore.), Water Infrastructure Finance and Innovation Act of 2012 (S. 3626); Rep. Bishop (D-N.Y.), Water Quality Protection and Job Creation Act of 2011 (H.R. 3145)
    - Incorporated provisions introduced in the Water Quality Protection and Job Creation Act of 2011 that would have amended the Clean Water Act to authorize the EPA to provide technical assistance to municipalities to plan, develop & finance eligible state water pollution control revolving fund projects.
    - Senator Boxer's Water Resources Development Act (WRDA) included a an EPA/U.S.
       Army Corps of Engineers pilot program to provide loans/loan guarantees for a variety of water infrastructure projects, including those involving energy efficiency improvements, wastewater, and repair/replacement of aging water distribution facilities.

- The Water Infrastructure Finance and Innovation Act of 2013 would afford loans/loan guarantees to water, wastewater, and stormwater projects that incorporate green infrastructure, energy efficiency, conservation, and other innovative techniques.
- Senate overwhelmingly approved WRDA (S. 601) in May, but the House of Representatives has yet to act.
- Possible Lead Vice Chair TBD

#### **HELP / Education and the Workforce**

- Direct the Department of Education to assist in development of energy productivity curricula and programs and DOE and Department of Labor to assist in development of technical training and credentials (3.5.1-2 administrative and private sector)
   Recent legislation: Rep. McNerney (D-Calif.), Grants for Renewable Energy Education for the Nation Act of 2013 (H.R. 2368). American Recovery and Reinvestment Act of 2009 (H.R. 1 in 111<sup>th</sup> Congress, Title VIII) funded energy efficiency job training under the Workforce Investment Act of 1998, Sec. 171(e)(1)(B).
  - The Grants for Renewable Energy Education for the Nation Act of 2011 would have authorized the Secretary of Education to award competitive grants to partnerships of local educational agencies (LEAs), postsecondary institutions, and clean and renewable energy industry representatives to develop programs of study focused on emerging careers and jobs in the fields of clean and renewable energy; it could be modified to specifically target energy efficiency sectors.
  - o Review implementation of Recovery Act provision.
  - Seek to have energy productivity included in referenced bill.
  - o Identify possible Republican co-sponsor
  - Possible Lead Vice Chair TBD

# **Appropriations**

Funding would be useful for all the measures under the Energy committees, but especially for:

- Create an energy productivity "Race to the Top" competition between states and local
  governments on energy policy innovation (2.1.1-3 administrative in part)
  Recent legislation: American Recovery and Reinvestment Act Of 2009 included education
  Race to the Top (Sec. 14005-6); Energy Independence and Security Act of 2007 authorized
  competitive grants to states and local governments (was used for Better Buildings)
  - Discuss with interested stakeholders whether Administration announced funds will be for one year or multiple years.
  - o Possible Lead Vice Chair Sens. Shaheen and Murkowski
- Increase support for DOE and other federal efficiency programs (1.6.1-2)
   Recent legislation: DOE programs funded in Energy and Water appropriations bills; EPA
   Energy Star, SmartWay, and other funding in Interior appropriations bills; agriculture, Agency
   for International Development, and other funding in other bills
  - Work with Commission members to build active support for balanced portfolio of programs
  - o Possible Lead Vice Chair Sens. Shaheen and Murkowski