

[CHAIRMEN'S PROPOSED CONFERENCE REPORT]

NOVEMBER 17, 2003

1 **TITLE I—ENERGY EFFICIENCY**

2 **Subtitle A—Federal Programs**

3 **SEC. 101. ENERGY AND WATER SAVING MEASURES IN CON-**
4 **GRESSIONAL BUILDINGS.**

5 (a) IN GENERAL.—Part 3 of title V of the National
6 Energy Conservation Policy Act (42 U.S.C. 8251 et seq.)
7 is amended by adding at the end the following:

8 **“SEC. 552. ENERGY AND WATER SAVINGS MEASURES IN**
9 **CONGRESSIONAL BUILDINGS.**

10 “(a) IN GENERAL.—The Architect of the Capitol—

11 “(1) shall develop, update, and implement a
12 cost-effective energy conservation and management
13 plan (referred to in this section as the ‘plan’) for all
14 facilities administered by Congress (referred to in
15 this section as ‘congressional buildings’) to meet the
16 energy performance requirements for Federal build-
17 ings established under section 543(a)(1); and

18 “(2) shall submit the plan to Congress, not
19 later than 180 days after the date of enactment of
20 this section.

21 “(b) PLAN REQUIREMENTS.—The plan shall
22 include—

1 “(1) a description of the life cycle cost analysis
2 used to determine the cost-effectiveness of proposed
3 energy efficiency projects;

4 “(2) a schedule of energy surveys to ensure
5 complete surveys of all congressional buildings every
6 5 years to determine the cost and payback period of
7 energy and water conservation measures;

8 “(3) a strategy for installation of life cycle cost-
9 effective energy and water conservation measures;

10 “(4) the results of a study of the costs and ben-
11 efits of installation of submetering in congressional
12 buildings; and

13 “(5) information packages and ‘how-to’ guides
14 for each Member and employing authority of Con-
15 gress that detail simple, cost-effective methods to
16 save energy and taxpayer dollars in the workplace.

17 “(c) ANNUAL REPORT.—The Architect of the Capitol
18 shall submit to Congress annually a report on congres-
19 sional energy management and conservation programs re-
20 quired under this section that describes in detail—

21 “(1) energy expenditures and savings estimates
22 for each facility;

23 “(2) energy management and conservation
24 projects; and

1 “(3) future priorities to ensure compliance with
2 this section.”.

3 (b) TABLE OF CONTENTS AMENDMENT.—The table
4 of contents of the National Energy Conservation Policy
5 Act is amended by adding at the end of the items relating
6 to part 3 of title V the following new item:

 “Sec. 552. Energy and water savings measures in congressional buildings.”.

7 (c) REPEAL.—Section 310 of the Legislative Branch
8 Appropriations Act, 1999 (2 U.S.C. 1815), is repealed.

9 (d) ENERGY INFRASTRUCTURE.—The Architect of
10 the Capitol, building on the Master Plan Study completed
11 in July 2000, shall commission a study to evaluate the
12 energy infrastructure of the Capital Complex to determine
13 how the infrastructure could be augmented to become
14 more energy efficient, using unconventional and renewable
15 energy resources, in a way that would enable the Complex
16 to have reliable utility service in the event of power fluc-
17 tuations, shortages, or outages.

18 (e) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated to the Architect of the
20 Capitol to carry out subsection (d), \$2,000,000 for each
21 of fiscal years 2004 through 2008.

22 **SEC. 102. ENERGY MANAGEMENT REQUIREMENTS.**

23 (a) ENERGY REDUCTION GOALS.—

24 (1) AMENDMENT.—Section 543(a)(1) of the
25 National Energy Conservation Policy Act (42 U.S.C.

1 8253(a)(1)) is amended by striking “its Federal
 2 buildings so that” and all that follows through the
 3 end and inserting “the Federal buildings of the
 4 agency (including each industrial or laboratory facil-
 5 ity) so that the energy consumption per gross square
 6 foot of the Federal buildings of the agency in fiscal
 7 years 2004 through 2013 is reduced, as compared
 8 with the energy consumption per gross square foot
 9 of the Federal buildings of the agency in fiscal year
 10 2001, by the percentage specified in the following
 11 table:

| “Fiscal Year | Percentage reduction |
|---------------------|-----------------------------|
| 2004 | 2 |
| 2005 | 4 |
| 2006 | 6 |
| 2007 | 8 |
| 2008 | 10 |
| 2009 | 12 |
| 2010 | 14 |
| 2011 | 16 |
| 2012 | 18 |
| 2013 | 20.”. |

12 (2) REPORTING BASELINE.—The energy reduc-
 13 tion goals and baseline established in paragraph (1)
 14 of section 543(a) of the National Energy Conserva-
 15 tion Policy Act (42 U.S.C. 8253(a)(1)), as amended
 16 by this subsection, supersede all previous goals and
 17 baselines under such paragraph, and related report-
 18 ing requirements.

19 (b) REVIEW AND REVISION OF ENERGY PERFORM-
 20 ANCE REQUIREMENT.—Section 543(a) of the National

1 Energy Conservation Policy Act (42 U.S.C. 8253(a)) is
2 further amended by adding at the end the following:

3 “(3) Not later than December 31, 2012, the Sec-
4 retary shall review the results of the implementation of
5 the energy performance requirement established under
6 paragraph (1) and submit to Congress recommendations
7 concerning energy performance requirements for fiscal
8 years 2014 through 2023.”.

9 (c) EXCLUSIONS.—Section 543(c)(1) of the National
10 Energy Conservation Policy Act (42 U.S.C. 8253(c)(1))
11 is amended by striking “An agency may exclude” and all
12 that follows through the end and inserting “(A) An agency
13 may exclude, from the energy performance requirement
14 for a fiscal year established under subsection (a) and the
15 energy management requirement established under sub-
16 section (b), any Federal building or collection of Federal
17 buildings, if the head of the agency finds that—

18 “(i) compliance with those requirements would
19 be impracticable;

20 “(ii) the agency has completed and submitted
21 all federally required energy management reports;

22 “(iii) the agency has achieved compliance with
23 the energy efficiency requirements of this Act, the
24 Energy Policy Act of 1992, Executive orders, and
25 other Federal law; and

1 “(iv) the agency has implemented all prac-
2 ticable, life cycle cost-effective projects with respect
3 to the Federal building or collection of Federal
4 buildings to be excluded.

5 “(B) A finding of impracticability under subpara-
6 graph (A)(i) shall be based on—

7 “(i) the energy intensiveness of activities car-
8 ried out in the Federal building or collection of Fed-
9 eral buildings; or

10 “(ii) the fact that the Federal building or col-
11 lection of Federal buildings is used in the perform-
12 ance of a national security function.”.

13 (d) REVIEW BY SECRETARY.—Section 543(e)(2) of
14 the National Energy Conservation Policy Act (42 U.S.C.
15 8253(e)(2)) is amended—

16 (1) by striking “impracticability standards” and
17 inserting “standards for exclusion”;

18 (2) by striking “a finding of impracticability”
19 and inserting “the exclusion”; and

20 (3) by striking “energy consumption require-
21 ments” and inserting “requirements of subsections
22 (a) and (b)(1)”.

23 (e) CRITERIA.—Section 543(e) of the National En-
24 ergy Conservation Policy Act (42 U.S.C. 8253(e)) is fur-
25 ther amended by adding at the end the following:

1 “(3) Not later than 180 days after the date of enact-
2 ment of this paragraph, the Secretary shall issue guide-
3 lines that establish criteria for exclusions under paragraph
4 (1).”.

5 (f) RETENTION OF ENERGY AND WATER SAVINGS.—
6 Section 546 of the National Energy Conservation Policy
7 Act (42 U.S.C. 8256) is amended by adding at the end
8 the following new subsection:

9 “(e) RETENTION OF ENERGY AND WATER SAV-
10 INGS.—An agency may retain any funds appropriated to
11 that agency for energy expenditures, water expenditures,
12 or wastewater treatment expenditures, at buildings subject
13 to the requirements of section 543(a) and (b), that are
14 not made because of energy savings or water savings. Ex-
15 cept as otherwise provided by law, such funds may be used
16 only for energy efficiency, water conservation, or uncon-
17 ventional and renewable energy resources projects.”.

18 (g) REPORTS.—Section 548(b) of the National En-
19 ergy Conservation Policy Act (42 U.S.C. 8258(b)) is
20 amended—

21 (1) in the subsection heading, by inserting
22 “THE PRESIDENT AND” before “CONGRESS”; and

23 (2) by inserting “President and” before “Con-
24 gress”.

1 (h) CONFORMING AMENDMENT.—Section 550(d) of
2 the National Energy Conservation Policy Act (42 U.S.C.
3 8258b(d)) is amended in the second sentence by striking
4 “the 20 percent reduction goal established under section
5 543(a) of the National Energy Conservation Policy Act
6 (42 U.S.C. 8253(a)).” and inserting “each of the energy
7 reduction goals established under section 543(a).”.

8 **SEC. 103. ENERGY USE MEASUREMENT AND ACCOUNT-**
9 **ABILITY.**

10 Section 543 of the National Energy Conservation
11 Policy Act (42 U.S.C. 8253) is further amended by adding
12 at the end the following:

13 “(e) METERING OF ENERGY USE.—

14 “(1) DEADLINE.—By October 1, 2010, in ac-
15 cordance with guidelines established by the Sec-
16 retary under paragraph (2), all Federal buildings
17 shall, for the purposes of efficient use of energy and
18 reduction in the cost of electricity used in such
19 buildings, be metered or submetered. Each agency
20 shall use, to the maximum extent practicable, ad-
21 vanced meters or advanced metering devices that
22 provide data at least daily and that measure at least
23 hourly consumption of electricity in the Federal
24 buildings of the agency. Such data shall be incor-
25 porated into existing Federal energy tracking sys-

1 tems and made available to Federal facility energy
2 managers.

3 “(2) GUIDELINES.—

4 “(A) IN GENERAL.—Not later than 180
5 days after the date of enactment of this sub-
6 section, the Secretary, in consultation with the
7 Department of Defense, the General Services
8 Administration, representatives from the meter-
9 ing industry, utility industry, energy services in-
10 dustry, energy efficiency industry, energy effi-
11 ciency advocacy organizations, national labora-
12 tories, universities, and Federal facility energy
13 managers, shall establish guidelines for agencies
14 to carry out paragraph (1).

15 “(B) REQUIREMENTS FOR GUIDELINES.—

16 The guidelines shall—

17 “(i) take into consideration—

18 “(I) the cost of metering and
19 submetering and the reduced cost of
20 operation and maintenance expected
21 to result from metering and sub-
22 metering;

23 “(II) the extent to which meter-
24 ing and submetering are expected to
25 result in increased potential for en-

1 energy management, increased potential
2 for energy savings and energy effi-
3 ciency improvement, and cost and en-
4 ergy savings due to utility contract
5 aggregation; and

6 “(III) the measurement and ver-
7 ification protocols of the Department
8 of Energy;

9 “(ii) include recommendations con-
10 cerning the amount of funds and the num-
11 ber of trained personnel necessary to gath-
12 er and use the metering information to
13 track and reduce energy use;

14 “(iii) establish priorities for types and
15 locations of buildings to be metered and
16 submetered based on cost-effectiveness and
17 a schedule of 1 or more dates, not later
18 than 1 year after the date of issuance of
19 the guidelines, on which the requirements
20 specified in paragraph (1) shall take effect;
21 and

22 “(iv) establish exclusions from the re-
23 quirements specified in paragraph (1)
24 based on the de minimis quantity of energy

1 use of a Federal building, industrial proc-
2 ess, or structure.

3 “(3) PLAN.—Not later than 6 months after the
4 date guidelines are established under paragraph (2),
5 in a report submitted by the agency under section
6 548(a), each agency shall submit to the Secretary a
7 plan describing how the agency will implement the
8 requirements of paragraph (1), including (A) how
9 the agency will designate personnel primarily respon-
10 sible for achieving the requirements and (B) dem-
11 onstration by the agency, complete with documenta-
12 tion, of any finding that advanced meters or ad-
13 vanced metering devices, as defined in paragraph
14 (1), are not practicable.”.

15 **SEC. 104. PROCUREMENT OF ENERGY EFFICIENT PROD-**
16 **UCTS.**

17 (a) REQUIREMENTS.—Part 3 of title V of the Na-
18 tional Energy Conservation Policy Act (42 U.S.C. 8251
19 et seq.), as amended by section 101, is amended by adding
20 at the end the following:

21 **“SEC. 553. FEDERAL PROCUREMENT OF ENERGY EFFI-**
22 **CIENT PRODUCTS.**

23 “(a) DEFINITIONS.—In this section:

1 “(1) ENERGY STAR PRODUCT.—The term ‘En-
2 ergy Star product’ means a product that is rated for
3 energy efficiency under an Energy Star program.

4 “(2) ENERGY STAR PROGRAM.—The term ‘En-
5 ergy Star program’ means the program established
6 by section 324A of the Energy Policy and Conserva-
7 tion Act.

8 “(3) EXECUTIVE AGENCY.—The term ‘executive
9 agency’ has the meaning given the term in section
10 4 of the Office of Federal Procurement Policy Act
11 (41 U.S.C. 403).

12 “(4) FEMP DESIGNATED PRODUCT.—The term
13 ‘FEMP designated product’ means a product that is
14 designated under the Federal Energy Management
15 Program of the Department of Energy as being
16 among the highest 25 percent of equivalent products
17 for energy efficiency.

18 “(b) PROCUREMENT OF ENERGY EFFICIENT PROD-
19 UCTS.—

20 “(1) REQUIREMENT.—To meet the require-
21 ments of an executive agency for an energy con-
22 suming product, the head of the executive agency
23 shall, except as provided in paragraph (2), procure—

24 “(A) an Energy Star product; or

25 “(B) a FEMP designated product.

1 “(2) EXCEPTIONS.—The head of an executive
2 agency is not required to procure an Energy Star
3 product or FEMP designated product under para-
4 graph (1) if the head of the executive agency finds
5 in writing that—

6 “(A) an Energy Star product or FEMP
7 designated product is not cost-effective over the
8 life of the product taking energy cost savings
9 into account; or

10 “(B) no Energy Star product or FEMP
11 designated product is reasonably available that
12 meets the functional requirements of the execu-
13 tive agency.

14 “(3) PROCUREMENT PLANNING.—The head of
15 an executive agency shall incorporate into the speci-
16 fications for all procurements involving energy con-
17 suming products and systems, including guide speci-
18 fications, project specifications, and construction,
19 renovation, and services contracts that include provi-
20 sion of energy consuming products and systems, and
21 into the factors for the evaluation of offers received
22 for the procurement, criteria for energy efficiency
23 that are consistent with the criteria used for rating
24 Energy Star products and for rating FEMP des-
25 ignated products.

1 “(c) LISTING OF ENERGY EFFICIENT PRODUCTS IN
2 FEDERAL CATALOGS.—Energy Star products and FEMP
3 designated products shall be clearly identified and promi-
4 nently displayed in any inventory or listing of products
5 by the General Services Administration or the Defense Lo-
6 gistics Agency. The General Services Administration or
7 the Defense Logistics Agency shall supply only Energy
8 Star products or FEMP designated products for all prod-
9 uct categories covered by the Energy Star program or the
10 Federal Energy Management Program, except in cases
11 where the agency ordering a product specifies in writing
12 that no Energy Star product or FEMP designated product
13 is available to meet the buyer’s functional requirements,
14 or that no Energy Star product or FEMP designated
15 product is cost-effective for the intended application over
16 the life of the product, taking energy cost savings into ac-
17 count.

18 “(d) SPECIFIC PRODUCTS.—(1) In the case of elec-
19 tric motors of 1 to 500 horsepower, agencies shall select
20 only premium efficient motors that meet a standard des-
21 ignated by the Secretary. The Secretary shall designate
22 such a standard not later than 120 days after the date
23 of the enactment of this section, after considering the rec-
24 ommendations of associated electric motor manufacturers
25 and energy efficiency groups.

1 “(2) All Federal agencies are encouraged to take ac-
2 tions to maximize the efficiency of air conditioning and
3 refrigeration equipment, including appropriate cleaning
4 and maintenance, including the use of any system treat-
5 ment or additive that will reduce the electricity consumed
6 by air conditioning and refrigeration equipment. Any such
7 treatment or additive must be—

8 “(A) determined by the Secretary to be effective
9 in increasing the efficiency of air conditioning and
10 refrigeration equipment without having an adverse
11 impact on air conditioning performance (including
12 cooling capacity) or equipment useful life;

13 “(B) determined by the Administrator of the
14 Environmental Protection Agency to be environ-
15 mentally safe; and

16 “(C) shown to increase seasonal energy effi-
17 ciency ratio (SEER) or energy efficiency ratio
18 (EER) when tested by the National Institute of
19 Standards and Technology according to Department
20 of Energy test procedures without causing any ad-
21 verse impact on the system, system components, the
22 refrigerant or lubricant, or other materials in the
23 system.

24 Results of testing described in subparagraph (C) shall be
25 published in the Federal Register for public review and

1 comment. For purposes of this section, a hardware device
2 or primary refrigerant shall not be considered an additive.

3 “(e) REGULATIONS.—Not later than 180 days after
4 the date of the enactment of this section, the Secretary
5 shall issue guidelines to carry out this section.”.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents of the National Energy Conservation Policy Act is
8 further amended by inserting after the item relating to
9 section 552 the following new item:

“Sec. 553. Federal procurement of energy efficient products.”.

10 **SEC. 105. ENERGY SAVINGS PERFORMANCE CONTRACTS.**

11 (a) PERMANENT EXTENSION.—Effective September
12 30, 2003, section 801(c) of the National Energy Conserva-
13 tion Policy Act (42 U.S.C. 8287(c)) is repealed.

14 (b) PAYMENT OF COSTS.—Section 802 of the Na-
15 tional Energy Conservation Policy Act (42 U.S.C. 8287a)
16 is amended by inserting “, water, or wastewater treat-
17 ment” after “payment of energy”.

18 (c) ENERGY SAVINGS.—Section 804(2) of the Na-
19 tional Energy Conservation Policy Act (42 U.S.C.
20 8287c(2)) is amended to read as follows:

21 “(2) The term ‘energy savings’ means a reduc-
22 tion in the cost of energy, water, or wastewater
23 treatment, from a base cost established through a
24 methodology set forth in the contract, used in an ex-

1 isting federally owned building or buildings or other
2 federally owned facilities as a result of—

3 “(A) the lease or purchase of operating
4 equipment, improvements, altered operation and
5 maintenance, or technical services;

6 “(B) the increased efficient use of existing
7 energy sources by cogeneration or heat recov-
8 ery, excluding any cogeneration process for
9 other than a federally owned building or build-
10 ings or other federally owned facilities; or

11 “(C) the increased efficient use of existing
12 water sources in either interior or exterior ap-
13 plications.”.

14 (d) ENERGY SAVINGS CONTRACT.—Section 804(3) of
15 the National Energy Conservation Policy Act (42 U.S.C.
16 8287c(3)) is amended to read as follows:

17 “(3) The terms ‘energy savings contract’ and
18 ‘energy savings performance contract’ mean a con-
19 tract that provides for the performance of services
20 for the design, acquisition, installation, testing, and,
21 where appropriate, operation, maintenance, and re-
22 pair, of an identified energy or water conservation
23 measure or series of measures at 1 or more loca-
24 tions. Such contracts shall, with respect to an agen-
25 cy facility that is a public building (as such term is

1 defined in section 3301 of title 40, United States
2 Code), be in compliance with the prospectus require-
3 ments and procedures of section 3307 of title 40,
4 United States Code.”.

5 (e) ENERGY OR WATER CONSERVATION MEASURE.—
6 Section 804(4) of the National Energy Conservation Pol-
7 icy Act (42 U.S.C. 8287c(4)) is amended to read as fol-
8 lows:

9 “(4) The term ‘energy or water conservation
10 measure’ means—

11 “(A) an energy conservation measure, as
12 defined in section 551; or

13 “(B) a water conservation measure that
14 improves the efficiency of water use, is life-cycle
15 cost-effective, and involves water conservation,
16 water recycling or reuse, more efficient treat-
17 ment of wastewater or stormwater, improve-
18 ments in operation or maintenance efficiencies,
19 retrofit activities, or other related activities, not
20 at a Federal hydroelectric facility.”.

21 (f) REVIEW.—Not later than 180 days after the date
22 of the enactment of this Act, the Secretary of Energy shall
23 complete a review of the Energy Savings Performance
24 Contract program to identify statutory, regulatory, and
25 administrative obstacles that prevent Federal agencies

1 from fully utilizing the program. In addition, this review
2 shall identify all areas for increasing program flexibility
3 and effectiveness, including audit and measurement ver-
4 ification requirements, accounting for energy use in deter-
5 mining savings, contracting requirements, including the
6 identification of additional qualified contractors, and en-
7 ergy efficiency services covered. The Secretary shall report
8 these findings to Congress and shall implement identified
9 administrative and regulatory changes to increase pro-
10 gram flexibility and effectiveness to the extent that such
11 changes are consistent with statutory authority.

12 **SEC. 106. ENERGY SAVINGS PERFORMANCE CONTRACTS**
13 **PILOT PROGRAM FOR NONBUILDING APPLI-**
14 **CATIONS.**

15 (a) IN GENERAL.—The Secretary of Defense and the
16 heads of other interested Federal agencies are authorized
17 to enter into up to 10 energy savings performance con-
18 tracts using procedures, established under subsection (b),
19 based on the procedures under title VIII of the National
20 Energy Conservation Policy Act (42 U.S.C. 8287 et seq.),
21 for the purpose of achieving energy or water savings, sec-
22 ondary savings, and benefits incidental to those purposes,
23 in nonbuilding applications. The payments to be made by
24 the Federal Government under such contracts shall not

1 exceed a total of \$200,000,000 for all such contracts com-
2 bined.

3 (b) PROCEDURES.—The Secretary of Energy, in con-
4 sultation with the Administrator of General Services and
5 the Secretary of Defense, shall establish procedures based
6 on the procedures under title VIII of the National Energy
7 Conservation Policy Act (42 U.S.C. 8287 et seq.), for im-
8 plementing this section.

9 (c) DEFINITIONS.—In this section:

10 (1) NONBUILDING APPLICATION.—The term
11 “nonbuilding application” means—

12 (A) any class of vehicles, devices, or equip-
13 ment that are transportable under their own
14 power by land, sea, or air that consume energy
15 from any fuel source for the purpose of such
16 transportability, or to maintain a controlled en-
17 vironment within such vehicle, device, or equip-
18 ment; or

19 (B) any Federally owned equipment used
20 to generate electricity or transport water.

21 (2) SECONDARY SAVINGS.—The term “sec-
22 ondary savings” means additional energy or cost
23 savings that are a direct consequence of the energy
24 or water savings that result from the financing and
25 implementation of the energy savings performance

1 contract, including, but not limited to, energy or cost
2 savings that result from a reduction in the need for
3 fuel delivery and logistical support, or the increased
4 efficiency in the production of electricity.

5 (d) REPORT.—Not later than 3 years after the date
6 of enactment of this section, the Secretary of Energy shall
7 report to Congress on the progress and results of the
8 projects funded pursuant to this section. Such report shall
9 include a description of projects undertaken; the energy,
10 water, and cost savings, secondary savings, and other ben-
11 efits that resulted from such projects; and recommenda-
12 tions on whether the pilot program should be extended,
13 expanded, or authorized permanently as a part of the pro-
14 gram authorized under title VIII of the National Energy
15 Conservation Policy Act (42 U.S.C. 8287 et seq.).

16 **SEC. 107. VOLUNTARY COMMITMENTS TO REDUCE INDUS-**
17 **TRIAL ENERGY INTENSITY.**

18 (a) VOLUNTARY AGREEMENTS.—The Secretary of
19 Energy is authorized to enter into voluntary agreements
20 with 1 or more persons in industrial sectors that consume
21 significant amounts of primary energy per unit of physical
22 output to reduce the energy intensity of their production
23 activities by a significant amount relative to improvements
24 in each sector in recent years.

1 (b) RECOGNITION.—The Secretary of Energy, in co-
2 operation with the Administrator of the Environmental
3 Protection Agency and other appropriate Federal agen-
4 cies, shall recognize and publicize the achievements of par-
5 ticipants in voluntary agreements under this section.

6 (c) DEFINITION.—In this section, the term “energy
7 intensity” means the primary energy consumed per unit
8 of physical output in an industrial process.

9 **SEC. 108. ADVANCED BUILDING EFFICIENCY TESTBED.**

10 (a) ESTABLISHMENT.—The Secretary of Energy, in
11 consultation with the Administrator of General Services,
12 shall establish an Advanced Building Efficiency Testbed
13 program for the development, testing, and demonstration
14 of advanced engineering systems, components, and mate-
15 rials to enable innovations in building technologies. The
16 program shall evaluate efficiency concepts for government
17 and industry buildings, and demonstrate the ability of
18 next generation buildings to support individual and orga-
19 nizational productivity and health (including by improving
20 indoor air quality) as well as flexibility and technological
21 change to improve environmental sustainability. Such pro-
22 gram shall complement and not duplicate existing national
23 programs.

24 (b) PARTICIPANTS.—The program established under
25 subsection (a) shall be led by a university with the ability

1 to combine the expertise from numerous academic fields
2 including, at a minimum, intelligent workplaces and ad-
3 vanced building systems and engineering, electrical and
4 computer engineering, computer science, architecture,
5 urban design, and environmental and mechanical engi-
6 neering. Such university shall partner with other univer-
7 sities and entities who have established programs and the
8 capability of advancing innovative building efficiency tech-
9 nologies.

10 (c) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to the Secretary of En-
12 ergy to carry out this section \$6,000,000 for each of the
13 fiscal years 2004 through 2006, to remain available until
14 expended. For any fiscal year in which funds are expended
15 under this section, the Secretary shall provide $\frac{1}{3}$ of the
16 total amount to the lead university described in subsection
17 (b), and provide the remaining $\frac{2}{3}$ to the other participants
18 referred to in subsection (b) on an equal basis.

19 **SEC. 109. FEDERAL BUILDING PERFORMANCE STANDARDS.**

20 Section 305(a) of the Energy Conservation and Pro-
21 duction Act (42 U.S.C. 6834(a)) is amended—

22 (1) in paragraph (2)(A), by striking “CABO
23 Model Energy Code, 1992” and inserting “the 2003
24 International Energy Conservation Code”; and

25 (2) by adding at the end the following:

1 “(3) REVISED FEDERAL BUILDING ENERGY EFFI-
2 CIENCY PERFORMANCE STANDARDS.—

3 “(A) IN GENERAL.—Not later than 1 year after
4 the date of enactment of this paragraph, the Sec-
5 retary of Energy shall establish, by rule, revised
6 Federal building energy efficiency performance
7 standards that require that—

8 “(i) if life-cycle cost-effective, for new Fed-
9 eral buildings—

10 “(I) such buildings be designed so as
11 to achieve energy consumption levels at
12 least 30 percent below those of the version
13 current as of the date of enactment of this
14 paragraph of the ASHRAE Standard or
15 the International Energy Conservation
16 Code, as appropriate; and

17 “(II) sustainable design principles are
18 applied to the siting, design, and construc-
19 tion of all new and replacement buildings;
20 and

21 “(ii) where water is used to achieve energy
22 efficiency, water conservation technologies shall
23 be applied to the extent they are life-cycle cost
24 effective.

1 “(B) ADDITIONAL REVISIONS.—Not later than
2 1 year after the date of approval of each subsequent
3 revision of the ASHRAE Standard or the Inter-
4 national Energy Conservation Code, as appropriate,
5 the Secretary of Energy shall determine, based on
6 the cost-effectiveness of the requirements under the
7 amendments, whether the revised standards estab-
8 lished under this paragraph should be updated to re-
9 flect the amendments.

10 “(C) STATEMENT ON COMPLIANCE OF NEW
11 BUILDINGS.—In the budget request of the Federal
12 agency for each fiscal year and each report sub-
13 mitted by the Federal agency under section 548(a)
14 of the National Energy Conservation Policy Act (42
15 U.S.C. 8258(a)), the head of each Federal agency
16 shall include—

17 “(i) a list of all new Federal buildings
18 owned, operated, or controlled by the Federal
19 agency; and

20 “(ii) a statement concerning whether the
21 Federal buildings meet or exceed the revised
22 standards established under this paragraph.”.

1 **SEC. 110. INCREASED USE OF RECOVERED MINERAL COM-**
2 **PONENT IN FEDERALLY FUNDED PROJECTS**
3 **INVOLVING PROCUREMENT OF CEMENT OR**
4 **CONCRETE.**

5 (a) AMENDMENT.—Subtitle F of the Solid Waste
6 Disposal Act (42 U.S.C. 6961 et seq.) is amended by add-
7 ing at the end the following new section:

8 “INCREASED USE OF RECOVERED MINERAL COMPONENT
9 IN FEDERALLY FUNDED PROJECTS INVOLVING PRO-
10 CUREMENT OF CEMENT OR CONCRETE

11 “SEC. 6005. (a) DEFINITIONS.—In this section:

12 “(1) AGENCY HEAD.—The term ‘agency head’
13 means—

14 “(A) the Secretary of Transportation; and

15 “(B) the head of each other Federal agen-
16 cy that on a regular basis procures, or provides
17 Federal funds to pay or assist in paying the
18 cost of procuring, material for cement or con-
19 crete projects.

20 “(2) CEMENT OR CONCRETE PROJECT.—The
21 term ‘cement or concrete project’ means a project
22 for the construction or maintenance of a highway or
23 other transportation facility or a Federal, State, or
24 local government building or other public facility
25 that—

1 “(A) involves the procurement of cement
2 or concrete; and

3 “(B) is carried out in whole or in part
4 using Federal funds.

5 “(3) RECOVERED MINERAL COMPONENT.—The
6 term ‘recovered mineral component’ means—

7 “(A) ground granulated blast furnace slag;

8 “(B) coal combustion fly ash; and

9 “(C) any other waste material or byprod-
10 uct recovered or diverted from solid waste that
11 the Administrator, in consultation with an
12 agency head, determines should be treated as
13 recovered mineral component under this section
14 for use in cement or concrete projects paid for,
15 in whole or in part, by the agency head.

16 “(b) IMPLEMENTATION OF REQUIREMENTS.—

17 “(1) IN GENERAL.—Not later than 1 year after
18 the date of enactment of this section, the Adminis-
19 trator and each agency head shall take such actions
20 as are necessary to implement fully all procurement
21 requirements and incentives in effect as of the date
22 of enactment of this section (including guidelines
23 under section 6002) that provide for the use of ce-
24 ment and concrete incorporating recovered mineral
25 component in cement or concrete projects.

1 “(2) PRIORITY.—In carrying out paragraph (1)
2 an agency head shall give priority to achieving great-
3 er use of recovered mineral component in cement or
4 concrete projects for which recovered mineral compo-
5 nents historically have not been used or have been
6 used only minimally.

7 “(3) CONFORMANCE.—The Administrator and
8 each agency head shall carry out this subsection in
9 accordance with section 6002.

10 “(c) FULL IMPLEMENTATION STUDY.—

11 “(1) IN GENERAL.—The Administrator, in co-
12 operation with the Secretary of Transportation and
13 the Secretary of Energy, shall conduct a study to de-
14 termine the extent to which current procurement re-
15 quirements, when fully implemented in accordance
16 with subsection (b), may realize energy savings and
17 environmental benefits attainable with substitution
18 of recovered mineral component in cement used in
19 cement or concrete projects.

20 “(2) MATTERS TO BE ADDRESSED.—The study
21 shall—

22 “(A) quantify the extent to which recov-
23 ered mineral components are being substituted
24 for Portland cement, particularly as a result of
25 current procurement requirements, and the en-

1 ergy savings and environmental benefits associ-
2 ated with that substitution;

3 “(B) identify all barriers in procurement
4 requirements to greater realization of energy
5 savings and environmental benefits, including
6 barriers resulting from exceptions from current
7 law; and

8 “(C)(i) identify potential mechanisms to
9 achieve greater substitution of recovered min-
10 eral component in types of cement or concrete
11 projects for which recovered mineral compo-
12 nents historically have not been used or have
13 been used only minimally;

14 “(ii) evaluate the feasibility of establishing
15 guidelines or standards for optimized substi-
16 tution rates of recovered mineral component in
17 those cement or concrete projects; and

18 “(iii) identify any potential environmental
19 or economic effects that may result from great-
20 er substitution of recovered mineral component
21 in those cement or concrete projects.

22 “(3) REPORT.—Not later than 30 months after
23 the date of enactment of this section, the Adminis-
24 trator shall submit to Congress a report on the
25 study.

1 “(d) ADDITIONAL PROCUREMENT REQUIREMENTS.—
2 Unless the study conducted under subsection (c) identifies
3 any effects or other problems described in subsection
4 (c)(2)(C)(iii) that warrant further review or delay, the Ad-
5 ministrator and each agency head shall, not later than 1
6 year after the release of the report in accordance with sub-
7 section (c)(3), take additional actions authorized under
8 this Act to establish procurement requirements and incen-
9 tives that provide for the use of cement and concrete with
10 increased substitution of recovered mineral component in
11 the construction and maintenance of cement or concrete
12 projects, so as to—

13 “(1) realize more fully the energy savings and
14 environmental benefits associated with increased
15 substitution; and

16 “(2) eliminate barriers identified under sub-
17 section (c).

18 “(e) EFFECT OF SECTION.—Nothing in this section
19 affects the requirements of section 6002 (including the
20 guidelines and specifications for implementing those re-
21 quirements).”.

22 (b) TABLE OF CONTENTS AMENDMENT.—The table
23 of contents of the Solid Waste Disposal Act is amended
24 by adding after the item relating to section 6004 the fol-
25 lowing new item:

“Sec. 6005. Increased use of recovered mineral component in federally funded projects involving procurement of cement or concrete.”.

1 **Subtitle B—Energy Assistance and**
2 **State Programs**

3 **SEC. 121. LOW INCOME HOME ENERGY ASSISTANCE PRO-**
4 **GRAM.**

5 Section 2602(b) of the Low-Income Home Energy
6 Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended
7 by striking “and \$2,000,000,000 for each of fiscal years
8 2002 through 2004” and inserting “\$2,000,000,000 for
9 fiscal years 2002 and 2003, and \$3,400,000,000 for each
10 of fiscal years 2004 through 2006”.

11 **SEC. 122. WEATHERIZATION ASSISTANCE.**

12 Section 422 of the Energy Conservation and Produc-
13 tion Act (42 U.S.C. 6872) is amended by striking “for
14 fiscal years 1999 through 2003 such sums as may be nec-
15 essary” and inserting “\$325,000,000 for fiscal year 2004,
16 \$400,000,000 for fiscal year 2005, and \$500,000,000 for
17 fiscal year 2006”.

18 **SEC. 123. STATE ENERGY PROGRAMS.**

19 (a) STATE ENERGY CONSERVATION PLANS.—Section
20 362 of the Energy Policy and Conservation Act (42 U.S.C.
21 6322) is amended by inserting at the end the following
22 new subsection:

23 “(g) The Secretary shall, at least once every 3 years,
24 invite the Governor of each State to review and, if nec-

1 essary, revise the energy conservation plan of such State
2 submitted under subsection (b) or (e). Such reviews should
3 consider the energy conservation plans of other States
4 within the region, and identify opportunities and actions
5 carried out in pursuit of common energy conservation
6 goals.”.

7 (b) STATE ENERGY EFFICIENCY GOALS.—Section
8 364 of the Energy Policy and Conservation Act (42 U.S.C.
9 6324) is amended to read as follows:

10 “STATE ENERGY EFFICIENCY GOALS

11 “SEC. 364. Each State energy conservation plan with
12 respect to which assistance is made available under this
13 part on or after the date of enactment of the Energy Pol-
14 icy Act of 2003 shall contain a goal, consisting of an im-
15 provement of 25 percent or more in the efficiency of use
16 of energy in the State concerned in calendar year 2010
17 as compared to calendar year 1990, and may contain in-
18 terim goals.”.

19 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
20 365(f) of the Energy Policy and Conservation Act (42
21 U.S.C. 6325(f)) is amended by striking “for fiscal years
22 1999 through 2003 such sums as may be necessary” and
23 inserting “\$100,000,000 for each of the fiscal years 2004
24 and 2005 and \$125,000,000 for fiscal year 2006”.

1 **SEC. 124. ENERGY EFFICIENT APPLIANCE REBATE PRO-**
2 **GRAMS.**

3 (a) DEFINITIONS.—In this section:

4 (1) ELIGIBLE STATE.—The term “eligible
5 State” means a State that meets the requirements
6 of subsection (b).

7 (2) ENERGY STAR PROGRAM.—The term “En-
8 ergy Star program” means the program established
9 by section 324A of the Energy Policy and Conserva-
10 tion Act.

11 (3) RESIDENTIAL ENERGY STAR PRODUCT.—
12 The term “residential Energy Star product” means
13 a product for a residence that is rated for energy ef-
14 ficiency under the Energy Star program.

15 (4) SECRETARY.—The term “Secretary” means
16 the Secretary of Energy.

17 (5) STATE ENERGY OFFICE.—The term “State
18 energy office” means the State agency responsible
19 for developing State energy conservation plans under
20 section 362 of the Energy Policy and Conservation
21 Act (42 U.S.C. 6322).

22 (6) STATE PROGRAM.—The term “State pro-
23 gram” means a State energy efficient appliance re-
24 bate program described in subsection (b)(1).

25 (b) ELIGIBLE STATES.—A State shall be eligible to
26 receive an allocation under subsection (c) if the State—

1 (1) establishes (or has established) a State en-
2 ergy efficient appliance rebate program to provide
3 rebates to residential consumers for the purchase of
4 residential Energy Star products to replace used ap-
5 pliances of the same type;

6 (2) submits an application for the allocation at
7 such time, in such form, and containing such infor-
8 mation as the Secretary may require; and

9 (3) provides assurances satisfactory to the Sec-
10 retary that the State will use the allocation to sup-
11 plement, but not supplant, funds made available to
12 carry out the State program.

13 (c) AMOUNT OF ALLOCATIONS.—

14 (1) IN GENERAL.—Subject to paragraph (2),
15 for each fiscal year, the Secretary shall allocate to
16 the State energy office of each eligible State to carry
17 out subsection (d) an amount equal to the product
18 obtained by multiplying the amount made available
19 under subsection (f) for the fiscal year by the ratio
20 that the population of the State in the most recent
21 calendar year for which data are available bears to
22 the total population of all eligible States in that cal-
23 endar year.

24 (2) MINIMUM ALLOCATIONS.—For each fiscal
25 year, the amounts allocated under this subsection

1 shall be adjusted proportionately so that no eligible
2 State is allocated a sum that is less than an amount
3 determined by the Secretary.

4 (d) USE OF ALLOCATED FUNDS.—The allocation to
5 a State energy office under subsection (c) may be used
6 to pay up to 50 percent of the cost of establishing and
7 carrying out a State program.

8 (e) ISSUANCE OF REBATES.—Rebates may be pro-
9 vided to residential consumers that meet the requirements
10 of the State program. The amount of a rebate shall be
11 determined by the State energy office, taking into
12 consideration—

13 (1) the amount of the allocation to the State
14 energy office under subsection (c);

15 (2) the amount of any Federal or State tax in-
16 centive available for the purchase of the residential
17 Energy Star product; and

18 (3) the difference between the cost of the resi-
19 dential Energy Star product and the cost of an ap-
20 pliance that is not a residential Energy Star prod-
21 uct, but is of the same type as, and is the nearest
22 capacity, performance, and other relevant character-
23 istics (as determined by the State energy office) to,
24 the residential Energy Star product.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary to carry
3 out this section \$50,000,000 for each of the fiscal years
4 2004 through 2008.

5 **SEC. 125. ENERGY EFFICIENT PUBLIC BUILDINGS.**

6 (a) GRANTS.—The Secretary of Energy may make
7 grants to the State agency responsible for developing State
8 energy conservation plans under section 362 of the Energy
9 Policy and Conservation Act (42 U.S.C. 6322), or, if no
10 such agency exists, a State agency designated by the Gov-
11 ernor of the State, to assist units of local government in
12 the State in improving the energy efficiency of public
13 buildings and facilities—

14 (1) through construction of new energy efficient
15 public buildings that use at least 30 percent less en-
16 ergy than a comparable public building constructed
17 in compliance with standards prescribed in the most
18 recent version of the International Energy Conserva-
19 tion Code, or a similar State code intended to
20 achieve substantially equivalent efficiency levels; or

21 (2) through renovation of existing public build-
22 ings to achieve reductions in energy use of at least
23 30 percent as compared to the baseline energy use
24 in such buildings prior to renovation, assuming a 3-

1 year, weather-normalized average for calculating
2 such baseline.

3 (b) ADMINISTRATION.—State energy offices receiving
4 grants under this section shall—

5 (1) maintain such records and evidence of com-
6 pliance as the Secretary may require; and

7 (2) develop and distribute information and ma-
8 terials and conduct programs to provide technical
9 services and assistance to encourage planning, fi-
10 nancing, and design of energy efficient public build-
11 ings by units of local government.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—For the
13 purposes of this section, there are authorized to be appro-
14 priated to the Secretary of Energy \$30,000,000 for each
15 of fiscal years 2004 through 2008. Not more than 10 per-
16 cent of appropriated funds shall be used for administra-
17 tion.

18 **SEC. 126. LOW INCOME COMMUNITY ENERGY EFFICIENCY**
19 **PILOT PROGRAM.**

20 (a) GRANTS.—The Secretary of Energy is authorized
21 to make grants to units of local government, private, non-
22 profit community development organizations, and Indian
23 tribe economic development entities to improve energy effi-
24 ciency; identify and develop alternative, renewable, and

1 distributed energy supplies; and increase energy conserva-
2 tion in low income rural and urban communities.

3 (b) PURPOSE OF GRANTS.—The Secretary may make
4 grants on a competitive basis for—

5 (1) investments that develop alternative, renew-
6 able, and distributed energy supplies;

7 (2) energy efficiency projects and energy con-
8 servation programs;

9 (3) studies and other activities that improve en-
10 ergy efficiency in low income rural and urban com-
11 munities;

12 (4) planning and development assistance for in-
13 creasing the energy efficiency of buildings and facili-
14 ties; and

15 (5) technical and financial assistance to local
16 government and private entities on developing new
17 renewable and distributed sources of power or com-
18 bined heat and power generation.

19 (c) DEFINITION.—For purposes of this section, the
20 term “Indian tribe” means any Indian tribe, band, nation,
21 or other organized group or community, including any
22 Alaskan Native village or regional or village corporation
23 as defined in or established pursuant to the Alaska Native
24 Claims Settlement Act (43 U.S.C. 1601 et seq.), that is
25 recognized as eligible for the special programs and services

1 provided by the United States to Indians because of their
2 status as Indians.

3 (d) AUTHORIZATION OF APPROPRIATIONS.—For the
4 purposes of this section there are authorized to be appro-
5 priated to the Secretary of Energy \$20,000,000 for each
6 of fiscal years 2004 through 2006.

7 **Subtitle C—Energy Efficient** 8 **Products**

9 **SEC. 131. ENERGY STAR PROGRAM.**

10 (a) AMENDMENT.—The Energy Policy and Conserva-
11 tion Act (42 U.S.C. 6201 et seq.) is amended by inserting
12 the following after section 324:

13 **“SEC. 324A. ENERGY STAR PROGRAM.**

14 “There is established at the Department of Energy
15 and the Environmental Protection Agency a voluntary
16 program to identify and promote energy-efficient products
17 and buildings in order to reduce energy consumption, im-
18 prove energy security, and reduce pollution through vol-
19 untary labeling of or other forms of communication about
20 products and buildings that meet the highest energy effi-
21 ciency standards. Responsibilities under the program shall
22 be divided between the Department of Energy and the En-
23 vironmental Protection Agency consistent with the terms
24 of agreements between the 2 agencies. The Administrator
25 and the Secretary shall—

1 “(1) promote Energy Star compliant tech-
2 nologies as the preferred technologies in the market-
3 place for achieving energy efficiency and to reduce
4 pollution;

5 “(2) work to enhance public awareness of the
6 Energy Star label, including special outreach to
7 small businesses;

8 “(3) preserve the integrity of the Energy Star
9 label;

10 “(4) solicit comments from interested parties
11 prior to establishing or revising an Energy Star
12 product category, specification, or criterion (or effec-
13 tive dates for any of the foregoing);

14 “(5) upon adoption of a new or revised product
15 category, specification, or criterion, provide reason-
16 able notice to interested parties of any changes (in-
17 cluding effective dates) in product categories, speci-
18 fications, or criteria along with an explanation of
19 such changes and, where appropriate, responses to
20 comments submitted by interested parties; and

21 “(6) provide appropriate lead time (which shall
22 be 9 months, unless the Agency or Department de-
23 termines otherwise) prior to the effective date for a
24 new or a significant revision to a product category,
25 specification, or criterion, taking into account the

1 timing requirements of the manufacturing, product
2 marketing, and distribution process for the specific
3 product addressed.”.

4 (b) TABLE OF CONTENTS AMENDMENT.—The table
5 of contents of the Energy Policy and Conservation Act is
6 amended by inserting after the item relating to section
7 324 the following new item:

“Sec. 324A. Energy Star program.”.

8 **SEC. 132. HVAC MAINTENANCE CONSUMER EDUCATION**
9 **PROGRAM.**

10 Section 337 of the Energy Policy and Conservation
11 Act (42 U.S.C. 6307) is amended by adding at the end
12 the following:

13 “(c) HVAC MAINTENANCE.—For the purpose of en-
14 suring that installed air conditioning and heating systems
15 operate at their maximum rated efficiency levels, the Sec-
16 retary shall, not later than 180 days after the date of en-
17 actment of this subsection, carry out a program to educate
18 homeowners and small business owners concerning the en-
19 ergy savings resulting from properly conducted mainte-
20 nance of air conditioning, heating, and ventilating sys-
21 tems. The Secretary shall carry out the program in a cost-
22 shared manner in cooperation with the Administrator of
23 the Environmental Protection Agency and such other enti-
24 ties as the Secretary considers appropriate, including in-

1 dustry trade associations, industry members, and energy
2 efficiency organizations.

3 “(d) SMALL BUSINESS EDUCATION AND ASSIST-
4 ANCE.—The Administrator of the Small Business Admin-
5 istration, in consultation with the Secretary of Energy and
6 the Administrator of the Environmental Protection Agen-
7 cy, shall develop and coordinate a Government-wide pro-
8 gram, building on the existing Energy Star for Small
9 Business Program, to assist small businesses to become
10 more energy efficient, understand the cost savings obtain-
11 able through efficiencies, and identify financing options
12 for energy efficiency upgrades. The Secretary and the Ad-
13 ministrator of the Small Business Administration shall
14 make the program information available directly to small
15 businesses and through other Federal agencies, including
16 the Federal Emergency Management Program and the
17 Department of Agriculture.”.

18 **SEC. 133. ENERGY CONSERVATION STANDARDS FOR ADDI-**
19 **TIONAL PRODUCTS.**

20 (a) DEFINITIONS.—Section 321 of the Energy Policy
21 and Conservation Act (42 U.S.C. 6291) is amended—

22 (1) in paragraph (30)(S), by striking the period
23 and adding at the end the following: “but does not
24 include any lamp specifically designed to be used for
25 special purpose applications and that is unlikely to

1 be used in general purpose applications such as
2 those described in subparagraph (D), and also does
3 not include any lamp not described in subparagraph
4 (D) that is excluded by the Secretary, by rule, be-
5 cause the lamp is designed for special applications
6 and is unlikely to be used in general purpose appli-
7 cations.”; and

8 (2) by adding at the end the following:

9 “(32) The term ‘battery charger’ means a de-
10 vice that charges batteries for consumer products
11 and includes battery chargers embedded in other
12 consumer products.

13 “(33) The term ‘commercial refrigerators,
14 freezers, and refrigerator-freezers’ means refrig-
15 erators, freezers, or refrigerator-freezers that—

16 “(A) are not consumer products regulated
17 under this Act; and

18 “(B) incorporate most components involved
19 in the vapor-compression cycle and the refrig-
20 erated compartment in a single package.

21 “(34) The term ‘external power supply’ means
22 an external power supply circuit that is used to con-
23 vert household electric current into either DC cur-
24 rent or lower-voltage AC current to operate a con-
25 sumer product.

1 “(35) The term ‘illuminated exit sign’ means a
2 sign that—

3 “(A) is designed to be permanently fixed in
4 place to identify an exit; and

5 “(B) consists of an electrically powered in-
6 tegral light source that illuminates the legend
7 ‘EXIT’ and any directional indicators and pro-
8 vides contrast between the legend, any direc-
9 tional indicators, and the background.

10 “(36)(A) Except as provided in subparagraph
11 (B), the term ‘distribution transformer’ means a
12 transformer that—

13 “(i) has an input voltage of 34.5 kilovolts
14 or less;

15 “(ii) has an output voltage of 600 volts or
16 less; and

17 “(iii) is rated for operation at a frequency
18 of 60 Hertz.

19 “(B) The term ‘distribution transformer’ does
20 not include—

21 “(i) transformers with multiple voltage
22 taps, with the highest voltage tap equaling at
23 least 20 percent more than the lowest voltage
24 tap;

1 “(ii) transformers, such as those commonly
2 known as drive transformers, rectifier trans-
3 formers, auto-transformers, Uninterruptible
4 Power System transformers, impedance trans-
5 formers, harmonic transformers, regulating
6 transformers, sealed and nonventilating trans-
7 formers, machine tool transformers, welding
8 transformers, grounding transformers, or test-
9 ing transformers, that are designed to be used
10 in a special purpose application and are unlikely
11 to be used in general purpose applications; or

12 “(iii) any transformer not listed in clause
13 (ii) that is excluded by the Secretary by rule
14 because—

15 “(I) the transformer is designed for a
16 special application;

17 “(II) the transformer is unlikely to be
18 used in general purpose applications; and

19 “(III) the application of standards to
20 the transformer would not result in signifi-
21 cant energy savings.

22 “(37) The term ‘low-voltage dry-type distribu-
23 tion transformer’ means a distribution transformer
24 that—

1 “(A) has an input voltage of 600 volts or
2 less;

3 “(B) is air-cooled; and

4 “(C) does not use oil as a coolant.

5 “(38) The term ‘standby mode’ means the low-
6 est power consumption mode that—

7 “(A) cannot be switched off or influenced
8 by the user; and

9 “(B) may persist for an indefinite time
10 when an appliance is connected to the main
11 electricity supply and used in accordance with
12 the manufacturer’s instructions,

13 as defined on an individual product basis by the Sec-
14 retary.

15 “(39) The term ‘torchiere’ means a portable
16 electric lamp with a reflector bowl that directs light
17 upward so as to give indirect illumination.

18 “(40) The term ‘traffic signal module’ means a
19 standard 8-inch (200mm) or 12-inch (300mm) traf-
20 fic signal indication, consisting of a light source, a
21 lens, and all other parts necessary for operation,
22 that communicates movement messages to drivers
23 through red, amber, and green colors.

24 “(41) The term ‘transformer’ means a device
25 consisting of 2 or more coils of insulated wire that

1 transfers alternating current by electromagnetic in-
2 duction from 1 coil to another to change the original
3 voltage or current value.

4 “(42) The term ‘unit heater’ means a self-con-
5 tained fan-type heater designed to be installed with-
6 in the heated space, except that such term does not
7 include a warm air furnace.”.

8 (b) TEST PROCEDURES.—Section 323 of the Energy
9 Policy and Conservation Act (42 U.S.C. 6293) is
10 amended—

11 (1) in subsection (b), by adding at the end the
12 following:

13 “(9) Test procedures for illuminated exit signs
14 shall be based on the test method used under Ver-
15 sion 2.0 of the Energy Star program of the Environ-
16 mental Protection Agency for illuminated exit signs.

17 “(10) Test procedures for distribution trans-
18 formers and low voltage dry-type distribution trans-
19 formers shall be based on the ‘Standard Test Meth-
20 od for Measuring the Energy Consumption of Dis-
21 tribution Transformers’ prescribed by the National
22 Electrical Manufacturers Association (NEMA TP 2-
23 1998). The Secretary may review and revise this test
24 procedure. For purposes of section 346(a), this test
25 procedure shall be deemed to be testing require-

1 ments prescribed by the Secretary under section
2 346(a)(1) for distribution transformers for which the
3 Secretary makes a determination that energy con-
4 servation standards would be technologically feasible
5 and economically justified, and would result in sig-
6 nificant energy savings.

7 “(11) Test procedures for traffic signal modules
8 shall be based on the test method used under the
9 Energy Star program of the Environmental Protec-
10 tion Agency for traffic signal modules, as in effect
11 on the date of enactment of this paragraph.

12 “(12) Test procedures for medium base com-
13 pact fluorescent lamps shall be based on the test
14 methods used under the August 9, 2001, version of
15 the Energy Star program of the Environmental Pro-
16 tection Agency and Department of Energy for com-
17 pact fluorescent lamps. Covered products shall meet
18 all test requirements for regulated parameters in
19 section 325(bb). However, covered products may be
20 marketed prior to completion of lamp life and lumen
21 maintenance at 40 percent of rated life testing pro-
22 vided manufacturers document engineering pre-
23 dictions and analysis that support expected attain-
24 ment of lumen maintenance at 40 percent rated life
25 and lamp life time.”; and

1 (2) by adding at the end the following:

2 “(f) ADDITIONAL CONSUMER AND COMMERCIAL
3 PRODUCTS.—The Secretary shall, not later than 24
4 months after the date of enactment of this subsection, pre-
5 scribe testing requirements for suspended ceiling fans, re-
6 frigerated bottled or canned beverage vending machines,
7 and commercial refrigerators, freezers, and refrigerator-
8 freezers. Such testing requirements shall be based on ex-
9 isting test procedures used in industry to the extent prac-
10 tical and reasonable. In the case of suspended ceiling fans,
11 such test procedures shall include efficiency at both max-
12 imum output and at an output no more than 50 percent
13 of the maximum output.”.

14 (c) NEW STANDARDS.—Section 325 of the Energy
15 Policy and Conservation Act (42 U.S.C. 6295) is amended
16 by adding at the end the following:

17 “(u) BATTERY CHARGER AND EXTERNAL POWER
18 SUPPLY ELECTRIC ENERGY CONSUMPTION.—

19 “(1) INITIAL RULEMAKING.—(A) The Secretary
20 shall, within 18 months after the date of enactment
21 of this subsection, prescribe by notice and comment,
22 definitions and test procedures for the power use of
23 battery chargers and external power supplies. In es-
24 tablishing these test procedures, the Secretary shall
25 consider, among other factors, existing definitions

1 and test procedures used for measuring energy con-
2 sumption in standby mode and other modes and as-
3 sess the current and projected future market for
4 battery chargers and external power supplies. This
5 assessment shall include estimates of the significance
6 of potential energy savings from technical improve-
7 ments to these products and suggested product
8 classes for standards. Prior to the end of this time
9 period, the Secretary shall hold a scoping workshop
10 to discuss and receive comments on plans for devel-
11 oping energy conservation standards for energy use
12 for these products.

13 “(B) The Secretary shall, within 3 years after
14 the date of enactment of this subsection, issue a
15 final rule that determines whether energy conserva-
16 tion standards shall be issued for battery chargers
17 and external power supplies or classes thereof. For
18 each product class, any such standards shall be set
19 at the lowest level of energy use that—

20 “(i) meets the criteria and procedures of
21 subsections (o), (p), (q), (r), (s), and (t); and

22 “(ii) will result in significant overall an-
23 nual energy savings, considering both standby
24 mode and other operating modes.

1 “(2) REVIEW OF STANDBY ENERGY USE IN
2 COVERED PRODUCTS.—In determining pursuant to
3 section 323 whether test procedures and energy con-
4 servation standards pursuant to this section should
5 be revised, the Secretary shall consider, for covered
6 products that are major sources of standby mode en-
7 ergy consumption, whether to incorporate standby
8 mode into such test procedures and energy conserva-
9 tion standards, taking into account, among other
10 relevant factors, standby mode power consumption
11 compared to overall product energy consumption.

12 “(3) RULEMAKING.—The Secretary shall not
13 propose a standard under this section unless the
14 Secretary has issued applicable test procedures for
15 each product pursuant to section 323.

16 “(4) EFFECTIVE DATE.—Any standard issued
17 under this subsection shall be applicable to products
18 manufactured or imported 3 years after the date of
19 issuance.

20 “(5) VOLUNTARY PROGRAMS.—The Secretary
21 and the Administrator shall collaborate and develop
22 programs, including programs pursuant to section
23 324A (relating to Energy Star Programs) and other
24 voluntary industry agreements or codes of conduct,

1 that are designed to reduce standby mode energy
2 use.

3 “(v) SUSPENDED CEILING FANS, VENDING MA-
4 CHINES, AND COMMERCIAL REFRIGERATORS, FREEZERS,
5 AND REFRIGERATOR-FREEZERS.—The Secretary shall not
6 later than 36 months after the date on which testing re-
7 quirements are prescribed by the Secretary pursuant to
8 section 323(f), prescribe, by rule, energy conservation
9 standards for suspended ceiling fans, refrigerated bottled
10 or canned beverage vending machines, and commercial re-
11 frigerators, freezers, and refrigerator-freezers. In estab-
12 lishing standards under this subsection, the Secretary
13 shall use the criteria and procedures contained in sub-
14 sections (o) and (p). Any standard prescribed under this
15 subsection shall apply to products manufactured 3 years
16 after the date of publication of a final rule establishing
17 such standard.

18 “(w) ILLUMINATED EXIT SIGNS.—Illuminated exit
19 signs manufactured on or after January 1, 2005, shall
20 meet the Version 2.0 Energy Star Program performance
21 requirements for illuminated exit signs prescribed by the
22 Environmental Protection Agency.

23 “(x) TORCHIERES.—Torchieres manufactured on or
24 after January 1, 2005—

1 “(1) shall consume not more than 190 watts of
2 power; and

3 “(2) shall not be capable of operating with
4 lamps that total more than 190 watts.

5 “(y) LOW VOLTAGE DRY-TYPE DISTRIBUTION
6 TRANSFORMERS.—The efficiency of low voltage dry-type
7 distribution transformers manufactured on or after Janu-
8 ary 1, 2005, shall be the Class I Efficiency Levels for dis-
9 tribution transformers specified in Table 4-2 of the ‘Guide
10 for Determining Energy Efficiency for Distribution Trans-
11 formers’ published by the National Electrical Manufactur-
12 ers Association (NEMA TP-1-2002).

13 “(z) TRAFFIC SIGNAL MODULES.—Traffic signal
14 modules manufactured on or after January 1, 2006, shall
15 meet the performance requirements used under the En-
16 ergy Star program of the Environmental Protection Agen-
17 cy for traffic signals, as in effect on the date of enactment
18 of this subsection, and shall be installed with compatible,
19 electrically connected signal control interface devices and
20 conflict monitoring systems.

21 “(aa) UNIT HEATERS.—Unit heaters manufactured
22 on or after the date that is 3 years after the date of enact-
23 ment of this subsection shall be equipped with an intermit-
24 tent ignition device and shall have either power venting
25 or an automatic flue damper.

1 “(bb) MEDIUM BASE COMPACT FLUORESCENT
2 LAMPS.—Bare lamp and covered lamp (no reflector) me-
3 dium base compact fluorescent lamps manufactured on or
4 after January 1, 2005, shall meet the following require-
5 ments prescribed by the August 9, 2001, version of the
6 Energy Star Program Requirements for Compact Fluores-
7 cent Lamps, Energy Star Eligibility Criteria, Energy-Effi-
8 ciency Specification issued by the Environmental Protec-
9 tion Agency and Department of Energy: minimum initial
10 efficacy; lumen maintenance at 1000 hours; lumen mainte-
11 nance at 40 percent of rated life; rapid cycle stress test;
12 and lamp life. The Secretary may, by rule, establish re-
13 quirements for color quality (CRI); power factor; oper-
14 ating frequency; and maximum allowable start time based
15 on the requirements prescribed by the August 9, 2001,
16 version of the Energy Star Program Requirements for
17 Compact Fluorescent Lamps. The Secretary may, by rule,
18 revise these requirements or establish other requirements
19 considering energy savings, cost effectiveness, and con-
20 sumer satisfaction.

21 “(cc) EFFECTIVE DATE.—Section 327 shall apply—

22 “(1) to products for which standards are to be
23 established under subsections (u) and (v) on the
24 date on which a final rule is issued by the Depart-
25 ment of Energy, except that any State or local

1 standards prescribed or enacted for any such prod-
2 uct prior to the date on which such final rule is
3 issued shall not be preempted until the standard es-
4 tablished under subsection (u) or (v) for that prod-
5 uct takes effect; and

6 “(2) to products for which standards are estab-
7 lished under subsections (w) through (bb) on the
8 date of enactment of those subsections, except that
9 any State or local standards prescribed or enacted
10 prior to the date of enactment of those subsections
11 shall not be preempted until the standards estab-
12 lished under subsections (w) through (bb) take ef-
13 fect.”.

14 (d) RESIDENTIAL FURNACE FANS.—Section
15 325(f)(3) of the Energy Policy and Conservation Act (42
16 U.S.C. 6295(f)(3)) is amended by adding the following
17 new subparagraph at the end:

18 “(D) Notwithstanding any provision of this Act, the
19 Secretary may consider, and prescribe, if the requirements
20 of subsection (o) of this section are met, energy efficiency
21 or energy use standards for electricity used for purposes
22 of circulating air through duct work.”.

23 **SEC. 134. ENERGY LABELING.**

24 (a) RULEMAKING ON EFFECTIVENESS OF CONSUMER
25 PRODUCT LABELING.—Section 324(a)(2) of the Energy

1 Policy and Conservation Act (42 U.S.C. 6294(a)(2)) is
2 amended by adding at the end the following:

3 “(F) Not later than 3 months after the date of enact-
4 ment of this subparagraph, the Commission shall initiate
5 a rulemaking to consider the effectiveness of the current
6 consumer products labeling program in assisting con-
7 sumers in making purchasing decisions and improving en-
8 ergy efficiency and to consider changes to the labeling
9 rules that would improve the effectiveness of consumer
10 product labels. Such rulemaking shall be completed not
11 later than 2 years after the date of enactment of this sub-
12 paragraph.”.

13 (b) RULEMAKING ON LABELING FOR ADDITIONAL
14 PRODUCTS.—Section 324(a) of the Energy Policy and
15 Conservation Act (42 U.S.C. 6294(a)) is further amended
16 by adding at the end the following:

17 “(5) The Secretary or the Commission, as appro-
18 priate, may, for covered products referred to in sub-
19 sections (u) through (aa) of section 325, prescribe, by rule,
20 pursuant to this section, labeling requirements for such
21 products after a test procedure has been set pursuant to
22 section 323. In the case of products to which TP–1 stand-
23 ards under section 325(y) apply, labeling requirements
24 shall be based on the ‘Standard for the Labeling of Dis-
25 tribution Transformer Efficiency’ prescribed by the Na-

1 tional Electrical Manufacturers Association (NEMA TP-
2 3) as in effect upon the date of enactment of this para-
3 graph.”.

4 **Subtitle D—Public Housing**

5 **SEC. 141. CAPACITY BUILDING FOR ENERGY-EFFICIENT, AF-** 6 **FORDABLE HOUSING.**

7 Section 4(b) of the HUD Demonstration Act of 1993
8 (42 U.S.C. 9816 note) is amended—

9 (1) in paragraph (1), by inserting before the
10 semicolon at the end the following: “, including ca-
11 pabilities regarding the provision of energy efficient,
12 affordable housing and residential energy conserva-
13 tion measures”; and

14 (2) in paragraph (2), by inserting before the
15 semicolon the following: “, including such activities
16 relating to the provision of energy efficient, afford-
17 able housing and residential energy conservation
18 measures that benefit low-income families”.

19 **SEC. 142. INCREASE OF CDBG PUBLIC SERVICES CAP FOR** 20 **ENERGY CONSERVATION AND EFFICIENCY** 21 **ACTIVITIES.**

22 Section 105(a)(8) of the Housing and Community
23 Development Act of 1974 (42 U.S.C. 5305(a)(8)) is
24 amended—

1 (1) by inserting “or efficiency” after “energy
2 conservation”;

3 (2) by striking “, and except that” and insert-
4 ing “; except that”; and

5 (3) by inserting before the semicolon at the end
6 the following: “; and except that each percentage
7 limitation under this paragraph on the amount of
8 assistance provided under this title that may be used
9 for the provision of public services is hereby in-
10 creased by 10 percent, but such percentage increase
11 may be used only for the provision of public services
12 concerning energy conservation or efficiency”.

13 **SEC. 143. FHA MORTGAGE INSURANCE INCENTIVES FOR**
14 **ENERGY EFFICIENT HOUSING.**

15 (a) SINGLE FAMILY HOUSING MORTGAGE INSUR-
16 ANCE.—Section 203(b)(2) of the National Housing Act
17 (12 U.S.C. 1709(b)(2)) is amended, in the first undesign-
18 nated paragraph beginning after subparagraph (B)(ii)(IV)
19 (relating to solar energy systems), by striking “20 per-
20 cent” and inserting “30 percent”.

21 (b) MULTIFAMILY HOUSING MORTGAGE INSUR-
22 ANCE.—Section 207(c) of the National Housing Act (12
23 U.S.C. 1713(c)) is amended, in the last undesignated
24 paragraph beginning after paragraph (3) (relating to solar
25 energy systems and residential energy conservation meas-

1 ures), by striking “20 percent” and inserting “30 per-
2 cent”.

3 (c) COOPERATIVE HOUSING MORTGAGE INSUR-
4 ANCE.—Section 213(p) of the National Housing Act (12
5 U.S.C. 1715e(p)) is amended by striking “20 per centum”
6 and inserting “30 percent”.

7 (d) REHABILITATION AND NEIGHBORHOOD CON-
8 SERVATION HOUSING MORTGAGE INSURANCE.—Section
9 220(d)(3)(B)(iii)(IV) of the National Housing Act (12
10 U.S.C. 1715k(d)(3)(B)(iii)(IV)) is amended—

11 (1) by striking “with respect to rehabilitation
12 projects involving not more than five family units,”;
13 and

14 (2) by striking “20 per centum” and inserting
15 “30 percent”.

16 (e) LOW-INCOME MULTIFAMILY HOUSING MORT-
17 GAGE INSURANCE.—Section 221(k) of the National Hous-
18 ing Act (12 U.S.C. 1715l(k)) is amended by striking “20
19 per centum” and inserting “30 percent”.

20 (f) ELDERLY HOUSING MORTGAGE INSURANCE.—
21 Section 231(c)(2)(C) of the National Housing Act (12
22 U.S.C. 1715v(c)(2)(C)) is amended by striking “20 per
23 centum” and inserting “30 percent”.

24 (g) CONDOMINIUM HOUSING MORTGAGE INSUR-
25 ANCE.—Section 234(j) of the National Housing Act (12

1 U.S.C. 1715y(j)) is amended by striking “20 per centum”
2 and inserting “30 percent”.

3 **SEC. 144. PUBLIC HOUSING CAPITAL FUND.**

4 Section 9 of the United States Housing Act of 1937
5 (42 U.S.C. 1437g) is amended—

6 (1) in subsection (d)(1)—

7 (A) in subparagraph (I), by striking “and”
8 at the end;

9 (B) in subparagraph (J), by striking the
10 period at the end and inserting a semicolon;
11 and

12 (C) by adding at the end the following new
13 subparagraphs:

14 “(K) improvement of energy and water-use
15 efficiency by installing fixtures and fittings that
16 conform to the American Society of Mechanical
17 Engineers/American National Standards Insti-
18 tute standards A112.19.2-1998 and A112.18.1-
19 2000, or any revision thereto, applicable at the
20 time of installation, and by increasing energy
21 efficiency and water conservation by such other
22 means as the Secretary determines are appro-
23 priate; and

1 “(L) integrated utility management and
2 capital planning to maximize energy conserva-
3 tion and efficiency measures.”; and

4 (2) in subsection (e)(2)(C)—

5 (A) by striking “The” and inserting the
6 following:

7 “(i) IN GENERAL.—The”; and

8 (B) by adding at the end the following:

9 “(ii) THIRD PARTY CONTRACTS.—
10 Contracts described in clause (i) may in-
11 clude contracts for equipment conversions
12 to less costly utility sources, projects with
13 resident-paid utilities, and adjustments to
14 frozen base year consumption, including
15 systems repaired to meet applicable build-
16 ing and safety codes and adjustments for
17 occupancy rates increased by rehabilita-
18 tion.

19 “(iii) TERM OF CONTRACT.—The total
20 term of a contract described in clause (i)
21 shall not exceed 20 years to allow longer
22 payback periods for retrofits, including
23 windows, heating system replacements,
24 wall insulation, site-based generation, ad-
25 vanced energy savings technologies, includ-

1 ing renewable energy generation, and other
2 such retrofits.”.

3 **SEC. 145. GRANTS FOR ENERGY-CONSERVING IMPROVE-**
4 **MENTS FOR ASSISTED HOUSING.**

5 Section 251(b)(1) of the National Energy Conserva-
6 tion Policy Act (42 U.S.C. 8231(1)) is amended—

7 (1) by striking “financed with loans” and in-
8 serting “assisted”;

9 (2) by inserting after “1959,” the following:
10 “which are eligible multifamily housing projects (as
11 such term is defined in section 512 of the Multi-
12 family Assisted Housing Reform and Affordability
13 Act of 1997 (42 U.S.C. 1437f note)) and are subject
14 to mortgage restructuring and rental assistance suf-
15 ficiency plans under such Act,”; and

16 (3) by inserting after the period at the end of
17 the first sentence the following new sentence: “Such
18 improvements may also include the installation of
19 energy and water conserving fixtures and fittings
20 that conform to the American Society of Mechanical
21 Engineers/American National Standards Institute
22 standards A112.19.2-1998 and A112.18.1-2000, or
23 any revision thereto, applicable at the time of instal-
24 lation.”.

1 **SEC. 146. NORTH AMERICAN DEVELOPMENT BANK.**

2 Part 2 of subtitle D of title V of the North American
3 Free Trade Agreement Implementation Act (22 U.S.C.
4 290m–290m-3) is amended by adding at the end the fol-
5 lowing:

6 **“SEC. 545. SUPPORT FOR CERTAIN ENERGY POLICIES.**

7 “Consistent with the focus of the Bank’s Charter on
8 environmental infrastructure projects, the Board members
9 representing the United States should use their voice and
10 vote to encourage the Bank to finance projects related to
11 clean and efficient energy, including energy conservation,
12 that prevent, control, or reduce environmental pollutants
13 or contaminants.”.

14 **SEC. 147. ENERGY-EFFICIENT APPLIANCES.**

15 In purchasing appliances, a public housing agency
16 shall purchase energy-efficient appliances that are Energy
17 Star products or FEMP-designated products, as such
18 terms are defined in section 553 of the National Energy
19 Conservation Policy Act (as amended by this title), unless
20 the purchase of energy-efficient appliances is not cost-ef-
21 fective to the agency.

22 **SEC. 148. ENERGY EFFICIENCY STANDARDS.**

23 Section 109 of the Cranston-Gonzalez National Af-
24 fordable Housing Act (42 U.S.C. 12709) is amended—

25 (1) in subsection (a)—

26 (A) in paragraph (1)—

1 (i) by striking “1 year after the date
2 of the enactment of the Energy Policy Act
3 of 1992” and inserting “September 30,
4 2004”;

5 (ii) in subparagraph (A), by striking
6 “and” at the end;

7 (iii) in subparagraph (B), by striking
8 the period at the end and inserting “;
9 and”; and

10 (iv) by adding at the end the fol-
11 lowing:

12 “(C) rehabilitation and new construction of
13 public and assisted housing funded by HOPE
14 VI revitalization grants under section 24 of the
15 United States Housing Act of 1937 (42 U.S.C.
16 1437v), where such standards are determined
17 to be cost effective by the Secretary of Housing
18 and Urban Development.”; and

19 (B) in paragraph (2), by striking “Council
20 of American” and all that follows through
21 “90.1–1989’” and inserting “2003 Inter-
22 national Energy Conservation Code”;

23 (2) in subsection (b)—

24 (A) by striking “within 1 year after the
25 date of the enactment of the Energy Policy Act

1 of 1992” and inserting “by September 30,
2 2004”; and

3 (B) by striking “CABO” and all that fol-
4 lows through “1989” and inserting “the 2003
5 International Energy Conservation Code”; and
6 (3) in subsection (c)—

7 (A) in the heading, by striking “MODEL
8 ENERGY CODE” and inserting “THE INTER-
9 NATIONAL ENERGY CONSERVATION CODE”;
10 and

11 (B) by striking “CABO” and all that fol-
12 lows through “1989” and inserting “the 2003
13 International Energy Conservation Code”.

14 **SEC. 149. ENERGY STRATEGY FOR HUD.**

15 The Secretary of Housing and Urban Development
16 shall develop and implement an integrated strategy to re-
17 duce utility expenses through cost-effective energy con-
18 servation and efficiency measures and energy efficient de-
19 sign and construction of public and assisted housing. The
20 energy strategy shall include the development of energy
21 reduction goals and incentives for public housing agencies.
22 The Secretary shall submit a report to Congress, not later
23 than 1 year after the date of the enactment of this Act,
24 on the energy strategy and the actions taken by the De-
25 partment of Housing and Urban Development to monitor

- 1 the energy usage of public housing agencies and shall sub-
- 2 mit an update every 2 years thereafter on progress in im-
- 3 plementing the strategy.