

Investing in New Strategies for Upgrading Lower Attaining Efficiency (INSULATE) Buildings Act

Chairman Joe Manchin (D-WV)

Background: Buildings use approximately 40% of all the energy consumed in the United States, and contribute a similar amount of U.S. greenhouse gas emissions. Reducing energy consumption in buildings presents a significant opportunity to reduce carbon emissions, while at the same time lowering consumers' utility bills. Many states have seen the elimination or severe scale-back of energy efficiency incentives, like tax credits, grants, and rebates, a declining number of efficiency programs run by utilities, and limited support from state legislatures. The INSULATE Buildings Act would, in concert with the Weatherization Assistance Program and existing State Energy Program funding, prioritize energy efficiency improvements in states with the poorest efficiency in buildings, and give businesses and homeowners the resources they need to pursue efficiency improvements in their homes and facilities.

Summary: The INSULATE Buildings Act would establish two grant programs under the State Energy Program:

❖ **Energy Efficiency Revolving Loan Fund Capitalization Grant Program:**

Establishes a program for the Department of Energy to award capitalization grants to states to fund and operate revolving loan funds, run by the state's energy office. Funds may be used to distribute loans to eligible businesses and homeowners to conduct commercial and residential energy audits and to make upgrades and retrofits to commercial and residential buildings. The program also allows states to use up to 25% of their capitalization grant to provide direct grants to small businesses and low-income homeowners, as they have limited or non-existent means to repay a loan. In addition to funds allocated through the SEP formula, the program would provide supplemental capitalization grants to states that have the poorest efficiency in their commercial and residential building stock.¹ The authorization level is \$250 million per year for FY2022 through FY2026.

❖ **Energy Auditor Training Grant Program:** Establishes a competitive grant program through the Department of Energy to award grants to states to conduct training for energy auditors. The authorization level is \$8 million per year for FY2022 through FY2026.

Endorsements: National Association of State Energy Officials (NASEO), American Council for an Energy-Efficient Economy (ACEEE), Alliance to Save Energy

¹States that would be eligible under the current metrics are: WY, WV, LA, ND, MS, AK, AL, MT, IA, KY, OK, IN, SD, TX, NE, NM, DC, MO, KS, TN, VA, and MN