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## Senate

### ENERGY LEGISLATION

Mr. TSONGAS. Mr. President, in recent weeks I have introduced two bills that would speed the essential transition to energy efficiency and renewable energy resources. I would like to make the terms of this proposed legislation available to my colleagues.

The Conservation Bank Act (S. 1748) would establish a Conservation Bank within HUD to make low interest and principal-deferred loans to homeowners and businesses for energy efficiency measures. The Community Energy Efficiency Act (S. 1829) would initiate a major grant program for energy conservation and renewable resource planning, programs, and capital projects at the local level.

I ask unanimous consent that the text of the Conservation Bank Act and the Community Energy Efficiency Act be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1748

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Conservation Bank Act".*

#### PURPOSE

SEC. 2. It is the purpose of this Act to encourage the use of energy conservation measures, and thereby lessen the Nation's dependence on foreign sources of energy supplies, by establishing a Conservation Bank to provide subsidies for below-market interest rate and principal-deferred loans made to owners or builders of commercial and residential structures for the purchase and installation of energy conservation measures in such structures.

#### ESTABLISHMENT OF THE BANK

SEC. 3. (a) There is hereby created the Conservation Bank which shall be in the Government National Mortgage Association. The Conservation Bank shall have succession until September 30, 1984.

(b) The General Accounting Office shall periodically audit the financial transactions of the Conservation Bank, and, for this purpose, shall have access to all of its books, records, and accounts.

(c) The Conservation Bank may impose fees or charges for its services which shall be deposited into the miscellaneous receipts of the Treasury.

#### POWERS

SEC. 4. The Secretary of Housing and Urban Development (HUD) shall have the power to fix different levels of subsidies, not to exceed 6 per centum below the current maximum interest rate permitted on a mortgage insured under section 203(b) of the National Housing Act, on loans subsidized by the Bank and the interest rate paid by borrowers on such loans, and from time to time to alter the levels of subsidy and interest rates for new loans subsidized by the Bank. In doing so the Bank shall give consideration to such factors as it shall deem appropriate, including, but not limited to the following:

(1) the prevailing market rates of interest for home mortgages, home improvement loans, and commercial loans, as well as prevailing market rates of interest for Government and corporate bonds;

(2) the availability of other Federal Government incentives and subsidies for energy conservation equipment, including Federal income tax credits;

(3) the costs of nonrenewable energy resources and systems;

(4) the costs of energy conservation measures; and

(5) the levels of subsidy needed to induce consumers and builders to install energy conservation measures in residential and commercial buildings.

#### SUBSIDY PAYMENTS

SEC. 5. (a) (1) The Conservation Bank shall, beginning with fiscal year 1980, make payments to financial institutions for the purpose of subsidizing below-market rate and principal-deferred loans which are made by such institutions to owners of commercial and residential structures for the purchase and installation of energy conservation measures in such structures and which meet the requirements of this section.

(2) For purposes of this act, the term "energy conservation measures" shall be defined as in section 210, subpart (1), excluding subpart (1)(H), and section 391, subpart (2), excluding subpart (2)(E) and (2)(F) of the National Energy Conservation Policy Act.

(3) The amount of any payment made with respect to any loan or qualifying portion of a loan shall be a lump-sum payment and shall be in an amount necessary, as determined by the Conservation Bank, to compensate the financial institution for the difference between making such loan at an interest rate determined by the Secretary of HUD and the yield it would have received if the loan were made at a market rate and, in the case of a principal-deferred loan, the difference between the borrower's interest payments during the deferred period and the discounted value of these payments minus interest as if the principal were amortized over the entire life of the loan. The Secretary of HUD shall set the interest rate subsidy for principal-deferred loans so that the cost to the Government National Mortgage Association of providing just a loan subsidy equals the cost to the Government National Mortgage Association of providing a subsidy for a principal-deferred loan.

(4) The Conservation Bank may, with respect to any loan for which a subsidy payment is made under this Act, require the financial institution to repay the Conservation Bank any amount to which the Conservation Bank is entitled as a result of the borrower's failure to meet his or her obligation under the loan.

(b) A payment may be made under this section with respect to a loan or qualifying portion of a loan only if—

(1) the term or repayment does not exceed fifteen years and is not less than five years, except that there shall be no penalty imposed on the borrower if the loan or advance credit is repaid at any time before the term of repayment expires;

(2) the amount of such loan allocable to purchase and installation of energy conservation measure does not exceed \$5,000 per unit in the case of any one- to four-family residential structure, \$2,500 per unit in the case of any residential structure with five or more dwelling units (not to exceed \$250,000 per loan), and \$200,000 in the case of any commercial structure;

(3) the security for the loan meets requirements of Government National Mortgage Association; and

(4) the energy conservation measures to be financed will be purchased and installed after the date of enactment of this Act, except as provided in section 9.

(c) At least 75 per centum of the amount of subsidy payments made under this section in any year shall be for the purpose of assisting the financing of energy conservation measures in residential structures.

#### PENALTIES

SEC. 6. Any person who knowingly makes any false statement or misrepresents any material fact with respect to any loan assisted under this Act shall be fined not more than \$10,000 or imprisoned not more than one year, or both.

#### REPORT

SEC. 7. The Secretary of HUD shall report to both Houses of Congress within nine months from the date of enactment, the market penetration of assistance provided by the Conservation Bank. If market penetration is less than that necessary to expend the funds provided in the Act, the Secretary shall recommend alternative financial delivery systems including the involvement of nonprofit energy conservation and development finance corporations dedicated to the purposes of the Act. The report shall also include a detailed accounting of the activities of the Conservation Bank.

#### PROMOTION AND COORDINATION

SEC. 8. The Secretary of HUD and the Government National Mortgage Association shall promote the program established by this Act by informing financial institutions and consumers of the benefits of such program and by actively seeking their participation in the program. The Secretary of HUD shall also assure effective coordination with promotion and assistance programs in the Department of Energy.

#### RETROACTIVITY

SEC. 9. Consumers who have borrowed money from a financial institution for the purchase and installation of energy conservation measures after September 13, 1979, shall be eligible for assistance by the Conservation Bank if the original loan is refinanced after the date of enactment of this Act.

#### RULES

SEC. 10. The Secretary of HUD may issue rules to insure the quality and effectiveness of the conservation measures subsidized under this Act.

#### LOW- AND MODERATE-INCOME HOUSING

SEC. 11. The Government National Mortgage Association shall implement the authority provided under section 242 of the National Energy Conservation Policy Act and shall coordinate the program under section 242 with the Conservation Bank.

#### FUNDING

SEC. 12. There are authorized to be appropriated to carry out the purposes of this Act not to exceed \$150,000,000 for fiscal year ending September 30, 1980, \$850,000,000 for fiscal year ending September 30, 1981, \$1,700,000,000 for the fiscal year ending September 30, 1982, \$1,700,000,000 for the fiscal year ending September 30, 1983, and \$1,700,000,000 for the fiscal year ending September 30, 1984.

S. 1829

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Community Energy Efficiency Act of 1979".*

#### FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) policy and program coordination between the Federal, State, and local levels is essential to an efficient energy program;

(2) resources are not effectively directed to resolve important national energy problems at the appropriate level of government;

(3) recognizing that energy conservation and renewable resource development require a reliance on decentralized action;

(4) programs are needed to strengthen citizens awareness of, and involvement in, energy conservation and renewable resource use; in concert with their respective local governments; and

(5) development of conservation and renewable resource strategies at the local government level and at the neighborhood level are needed.

(b) It is the purpose of this Act to—

(1) promote the conservation of nonrenewable resources through local government action;

(2) hasten the transition to renewable energy-based community activity;

(3) promote the development of local energy plans which draw upon local authorities and decisionmaking and complement national energy objectives;

(4) insure that local laws, policies, and decisions recognize the particular needs of decentralized, renewable resource technologies;

(5) promote the development of local energy programs that specifically address the need of low- and middle-income residents;

(6) encourage the participation of neighborhood and community-based organizations in the nation energy effort; and

(7) promote local energy programs that are cognizant of the needs of the local economy, particularly for employment, industry, and personal mobility.

#### ELIGIBILITY

Sec. 3. Any general purpose local government except a county with a population over 50,000 and a county with a population over 100,000 excluding other eligible general purpose local governments with a population over 50,000, which meet the application requirements shall be eligible to receive community energy action grants and community energy efficiency investment grants established under this Act. Any general purpose local government with a population below 50,000, a county with a population below 100,000 excluding eligible cities, and metropolitan or areawide planning agencies representing a population over 100,000 shall be eligible for discretionary grants to implement all or part of the requirements of sections 6 and 7.

#### PREAPPLICATION REQUIREMENTS

Sec. 4. To be eligible for a grant under section 5 the applicant shall have implemented the following measures before an application can be approved:

(1) demonstrate commitment to national and local energy targets including a commitment to maintain local energy expenditures;

(2) certify that the requirements of sections 6 and 7 can be achieved by the applicant;

(3) assess the energy savings resulting from existing local energy conservation, renewable resource, and other production programs;

(4) create a citizen's energy advisory committee, which draws upon community-based and neighborhood organizations, to assist in the development of local energy programs especially in poverty areas; and

(5) designate a lead agency or establish a local energy office to coordinate and implement local energy programs.

#### COMMUNITY ENERGY ACTION GRANTS

Sec. 5. (a) The Secretary of Housing and Urban Development in consultation with the Secretary of Energy shall make community energy action grants under sections 6 and 7 for—

(1) the basic community energy action program; and

(2) community energy action program.

(b) The amount of each grant shall be based on population, heating, and cooling needs.

(c) The Secretary of Housing and Urban Development is authorized to set aside funds for grants to applicants on a discretionary basis who can comply with all or part of the requirements of sections 6 and 7.

(d) There are authorized to be appropriated to carry out the provisions of sections 6 and 7, \$300,000,000 for the fiscal year ending September 30, 1980, \$350,000,000 for the fiscal year ending September 30, 1981, \$400,000,000 for the fiscal year ending September 30, 1982, \$450,000,000 for the fiscal year ending September 30, 1983, and \$500,000,000 for the fiscal year ending September 30, 1984.

#### BASIC COMMUNITY ENERGY ACTION PROGRAM

Sec. 6. An application for a basic community energy action program grant shall include a work plan leading to full implementation of the following programs within two years:

(a) a program to disseminate the information to the general public and private industries on the potential savings from community conservation, the availability of alternatives, the savings realized by utilizing such alternatives, and the availability of assistance from various Federal, State, and local energy programs;

(b) adoption of local targets for energy conservation and renewable resource development and plans for aggressive implementation of programs to reach these targets;

(c) a program to incorporate, coordinate, and promote energy conservation and production activities at the neighborhood level;

(d) a program to assist low-income residents in implementing energy conservation and renewable resource measures;

(e) a program to integrate energy conservation and renewable resource measures with those at the metropolitan or areawide level;

(f) a program to amend local land use controls such as building codes and permits, transportation controls and policies and ordinances in order to facilitate conservation and renewable resource development; and

(g) a program to coordinate local energy activities with the State energy plan and other Federal energy programs and policies.

#### COMMUNITY ENERGY ACTION PROGRAM

Sec. 7. (a) A recipient of a grant under section 6 who has made significant progress in implementing the requirements of the basic community energy action program, may apply for grants for the development of a community energy action program.

(b) All recipients of grants under section 6 shall apply for a grant under this section not later than the end of the third year of the program established under section 6.

(c) An application for a community energy action program grant shall include evidence that all requirements of section 6 have been met, and shall include a work plan leading to full implementation of the following programs within three years:

(1) plans for adoption of a renewable resource ordinance which provides access and facilitates the use of renewable energy systems in the community;

(2) adoption of conservation standards for new and existing residential and commercial properties;

(3) development of an emergency energy contingency plan;

(4) a program to displace existing non-renewable resource consumption; and

(5) development of a capital energy plan which utilizes existing Federal and State programs to implement energy-efficient projects.

(d) Each grantee under this section and section 6 shall make available at least ten per centum of each year's grant to neighborhood organizations for special energy projects under coordination of the grantee. Such projects shall promote community outreach programs or provide grants for energy conservation and renewable resource projects.

#### COMMUNITY ENERGY EFFICIENCY INVESTMENT GRANTS

Sec. 8. (a) The Secretary of Energy after consultation with the Secretary of Housing and Urban Development shall make grants to any local government to undertake energy efficiency capital programs appropriate to the community level. Recipients of grants under sections 6 and 7 shall be allowed to apply for community energy efficiency investment grants only if the projects are consistent with the programs developed under the community energy action program. Priority shall be given to projects which leverage local public and private funds.

(b) Community energy efficiency grants shall be available for, but not limited to—

(1) energy-efficient city block demonstration projects;

(2) low-head hydro development;

(3) district heating development;

(4) urban waste-based energy production facilities;

(5) industrial residential cogeneration;

(6) solar energy systems development;

(7) weatherization of low-income housing;

(8) building conservation and renewable resource retrofit; and

(9) neighborhood energy projects.

(c) There are authorized to be appropriated to carry out the provisions of this section \$200,000,000 for the fiscal year ending September 30, 1980, \$300,000,000 for the fiscal year ending September 30, 1981, \$500,000,000 for the fiscal year ending September 30, 1982, \$800,000,000 for the fiscal year ending September 30, 1983, and \$1,200,000,000 for the fiscal year ending September 30, 1984.

#### LOCAL ENERGY REFERENCE CENTER AND REGIONAL PANELS

Sec. 9. (a) A Local Energy Reference Center shall be established by the Secretary of Energy to serve as a data bank and clearinghouse for information on locally based energy conservation and renewable energy resource development efforts. The Local Energy Reference Center shall be established outside of the Department, through a contractual arrangement with an organization or consortium of organizations with expertise in disseminating information to local government officials.

(b) The Center shall—

(1) keep on file and compile a periodically updated list of all materials published through the documentation and distribution grants program;

(2) collect information on other locally based initiatives;

(3) utilize a computer data base to maximize the flexibility and usefulness of the available information;

(4) assemble the technical assistance panels in accordance with subsection (c);

(5) respond to information requests from local officials, by drawing upon its own information resources or by referring such requests to a member of a Technical Assistance Panel or an appropriate public or private agency;

(6) organize conferences and seminars for local officials on issues pertaining to energy conservation and renewable energy resources development; and

(7) publicize the services offered by the Center.

(c) The Center shall establish and maintain regional Technical Assistance Panels, to provide a vehicle for direct communication between localities which are working to conserve energy or develop renewable energy resources, as to provide a source of assistance for local energy program development efforts. All localities receiving documentation and distribution grants under section 10 shall be represented on such panels. The Secretary of the Department of Energy shall appoint not more than ten additional qualified individuals to serve on each panel. Panel members shall respond to information requests from localities and the Local Energy Reference Center by—

(1) sending documents describing efforts with which they have been affiliated,

(2) engaging in direct consultation via telephone or written correspondence, or

(3) undertaking site visits.

#### DOCUMENTATION AND DISTRIBUTION GRANTS

Sec. 10. (a) In order to encourage the dissemination of information on innovative programs undertaken by local energy offices the Secretary of Energy shall make grants to local governments for the purpose of preparing and distributing practical information on measures which they have undertaken, or propose to undertake, to conserve energy or develop renewable energy resources. The grant shall be awarded to localities whose proposed publications would offer a unique contribution to the body of knowledge in these areas.

(b) Each grantee shall be required to—

(1) publish (within sixty days after receipt of such grant) a document or series of documents describing in detail its current and proposed energy conservation and renewable development measures,

(2) make these published materials available to other localities free of charge, either in response to direct requests from localities or in response to requests from the Local Energy Reference Center, and

(3) appoint one person to serve on a Technical Assistance Panel, which would be coordinated by the local Energy Reference Center.

(c) There are authorized to be appropriated to carry out the purposes of this section \$4,000,000 for the fiscal year ending September 30, 1980 and for each of the next four succeeding fiscal years.

#### COORDINATION WITH STATE PLANS

Sec. 11. (a) In order to insure compatibility and full coordination of local plans developed under this Act with State plans and programs, each State within sixty days of enactment of this Act must provide eligible recipients of grants under sections 6 and 7 a description of applicable State energy programs and policies which shall identify areas of local responsibility.

(b) Each eligible recipient of grants under this Act must—

(1) evidence consideration and coordination as required for grant applications under section 6 with the State information provided pursuant to subsection (a) of this section; and

(2) file a copy of any application for a grant under this Act with the State energy office or designated lead energy office.

#### ADMINISTRATIVE PRACTICES AND PROCEDURES

Sec. 12. (a) The Secretary of Housing and Urban Development shall—

(1) issue regulations, after consultation with the Secretary of Energy and within one hundred and twenty days after the date of enactment of this Act, for grants to be made under section 5; and

(2) monitor the progress of the recipients of the Community energy action grants through the regional offices to insure that the requirements of this Act are being fulfilled.

(b) The Secretary of Energy shall—

(1) issue regulations, after consultation with the Secretary of Housing and Urban Development and within two hundred and forty days after the date of enactment of this Act, for grants made under sections 8, 9, and 10; and

(2) monitor the progress of the recipients of energy efficiency grants through the regional offices to insure that the requirements of this Act are being fulfilled.

(c) The Secretaries of the Department of Housing and Urban Development and Energy shall—

(1) convene an interagency task force including representatives from the Department of Transportation, Department of Energy, ACTION, Community Services Administration, and the Department of Health, Education, and Welfare to improve existing Federal policies and programs in order to promote and facilitate the purposes of this Act; and

(2) make a report to Congress, two years from the date of enactment, on the operation and the actual and potential energy impact of the programs established under this Act.