



ALLIANCE TO
SAVE ENERGY
Creating an Energy-Efficient World

Smart Energy Act

Section-by-Section Summary

The following is a summary of the Smart Energy Act (H.R. 4017), which was introduced on February 14, 2012 by Reps. Bass (R-N.H.), Matheson (D-Utah), Dold (R-Ill.), Fitzpatrick (R-Pa.), Welch (D-Vt.) and Barrow (D-Ga.), to promote efficient energy use in the federal and private sectors.

*Note for your reference, anything highlighted in yellow is also in the Energy Savings and Industrial Competitiveness Act, S. 1000, by Senators Shaheen and Portman.

Title I: Federal Energy Use and Generation

Section 101: Utilizing Energy Savings Performance Contracts

This section would amend the National Energy Conservation Policy Act (NECPA) to direct federal agencies to use private financing including Energy Savings Performance Contracts (ESPCs) to implement federal energy management requirements under the Energy Independence and Security Act of 2007 (EISA). Federal agencies could use appropriated funds to meet the energy management requirements only if private financing conflicted with the primary mission of the agency or facility, or if greater cost savings could be generated under a different program. Appropriated funds could also be used to cover federal administrative costs.

Further, this section would amend NECPA to make measures to support the use of electric vehicles or their charging infrastructure eligible for ESPCs, and measures to finance the acquisition or use of electric vehicles or their fueling infrastructure eligible for Utility Energy Service Contracts (UESCs). The section also would require termination clauses in ESPCs in case facilities close before the end of the contract.

Section 102: Demand Response Programs

This section would amend NECPA to direct federal agencies to participate in demand response programs offered by electric utilities, Independent System Operators, Regional Transmission Organizations and demand response aggregators where available. This is intended to support electric grid reliability and security and reduce energy bills for agencies or facilities.

Section 103: Federal Data Center Consolidation

This section would require federal agencies to complete data center consolidation plans or provide a schedule for completion within 180 days. The interagency Data Center Consolidation Task Force would be directed to assess consolidation plans' completeness and monitor agency implementation.

Section 104: Adoption of Personal Computer Power Savings Techniques by Federal Agencies

This section would direct federal agencies to develop a plan for using advanced tools that promote energy savings through the use of computer hardware, energy efficiency software, and power management tools, based on guidance from the Department of Energy (DOE). Agencies would submit a report to DOE containing both the plan for implementation and estimated energy and financial savings from the use of the advanced tools.

Section 105: Best Practices for Advanced Metering

This section would require federal agencies to update annually their implementation plans for how they will achieve advanced metering requirements under NECPA. It would also require DOE to develop and issue an annual best-practices report on advanced metering of energy use in federal facilities in consultation with the Department of Defense and the General Services Administration. The report would include summaries and analysis of agency reporting; recommendations on standard requirements or guidelines for automated energy management systems, including establishing standards for communications and security and means for facilitating continuous commissioning and evidence-based maintenance of buildings and building systems; and analyses of metering and monitoring pilot projects in federal buildings and examples of existing techniques used in the private and non-federal sectors.

Section 106: Federal Energy Management and Data Collection Standard

This section would, for facilities covered under section 543(f) of NECPA, direct energy managers to use a web-based tracking system to publish energy and water consumption data on an individual facility basis, in addition to existing requirements for tracking compliance with energy and water audit and savings measure implementation requirements, cost and savings of the measures, and benchmarking of energy use.

Title II: Providing Opportunities for Energy Efficiency in Business and Industry

Section 201: Loan Program for Energy Efficiency Upgrades to Existing Buildings

This section would add to DOE's Title XVII loan guarantee program a "Building Retrofit Financing Program" that would provide credit guarantees to reduce financing risk for commercial, residential, and institutional buildings' energy efficiency projects. Eligible buildings would include commercial, multifamily residential, industrial, municipal, institution of higher education, school, or hospital facilities. The program would prioritize maximizing energy savings for the available funding, distribution of projects across states and geographical regions, and whole-building retrofits. DOE would be directed to

develop guidelines for credit support, with public comment, including minimum energy savings requirements for eligible projects, requirements and fees to limit DOE's financial risk, and lien priorities. Credit support could not exceed 90% of the credit liability and could not be greater than \$10 million for a single project, but could support an aggregated portfolio of projects in different locations.

The range of financing mechanisms that could be supported by this program would be very broad, including:

- Loans
- Power purchase agreements
- Energy service agreements (e.g., energy service performance contracts)
- Property-assessed clean energy bonds or similar tax assessment-based programs
- Aggregate on-meter agreements
- Others deemed appropriate by DOE

Note this provision is substantially different from the loan guarantee section in S.1000.

Section 202: Coordination of Research and Development of Energy Efficient Technologies for Industry

This section would direct DOE to establish collaborative research and development partnerships between the DOE Advanced Manufacturing Office (formerly called Industrial Technologies) and other offices within DOE to promote early stage energy efficiency technology development; support the use of innovative manufacturing processes and applied research for development, demonstration and commercialization of new technologies and processes to improve efficiency, reduce emissions and waste, and improve industrial cost-competitiveness; and apply the knowledge and expertise of the Advanced Manufacturing Office to help achieve program goals of other offices.

Section 203: Combined Heat and Power and Waste Heat Recovery

This section would direct DOE to develop a strategic plan, updated biennially, to double production of electricity from combined heat and power (CHP) and waste heat recovery in the United States by 2020. The strategic plan would establish policy priorities and identify requirements to ensure compliance with the goal, provide energy savings estimates, and include data collection and compilation guidelines to establish baselines and document energy savings.

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The Alliance to Save Energy is a coalition of prominent business, government, environmental and consumer leaders who promote the efficient use of energy worldwide to benefit consumers, the environment, the economy, and national security. For more information please contact Alliance policy staff at (202)857-0666 or info@ase.org.

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