

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Farm Security and Rural Investment Act of 2002 to modify provisions relating to the rural energy savings program.

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IN THE SENATE OF THE UNITED STATES

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Mr. WELCH (for himself and Ms. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Farm Security and Rural Investment Act of 2002 to modify provisions relating to the rural energy savings program.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Energy Savings  
5 Act”.

6 **SEC. 2. RURAL ENERGY SAVINGS PROGRAM MODIFICA-**  
7 **TIONS.**

8 Section 6407 of the Farm Security and Rural Invest-  
9 ment Act of 2002 (7 U.S.C. 8107a) is amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1)—

3 (i) in subparagraph (B), by striking  
4 “or” at the end;

5 (ii) by redesignating subparagraph  
6 (C) as subparagraph (E); and

7 (iii) by inserting after subparagraph  
8 (B) the following:

9 “(C) any Indian Tribe (as defined in sec-  
10 tion 4 of the Indian Self-Determination and  
11 Education Assistance Act (25 U.S.C. 5304));

12 “(D) any public, quasipublic, or nonprofit  
13 entity that uses innovative financing techniques  
14 and market development tools to accelerate the  
15 deployment of clean energy technology (com-  
16 monly known as a ‘green bank’); and”;

17 (B) by striking paragraph (2) and insert-  
18 ing the following:

19 “(2) ENERGY EFFICIENCY MEASURE.—The  
20 term ‘energy efficiency measure’, with respect to any  
21 property served by an eligible entity, means—

22 “(A) a structural improvement or invest-  
23 ment in a cost-effective, commercial technology  
24 to increase energy efficiency (including cost-ef-

1           fective on- or off-grid renewable energy or en-  
2           ergy storage systems); and

3           “(B) the replacement of a manufactured  
4           housing unit or large appliance with a substan-  
5           tially similar manufactured housing unit or ap-  
6           pliance, respectively, if that replacement is a  
7           cost-effective option with respect to energy sav-  
8           ings.”;

9           (2) in subsection (c)—

10           (A) in the subsection heading, by inserting  
11           “AND GRANTS” after “LOANS”;

12           (B) by striking paragraph (1) and insert-  
13           ing the following:

14           “(1) IN GENERAL.—Subject to the require-  
15           ments of this subsection, the Secretary shall pro-  
16           vide—

17           “(A) loans to eligible entities that agree to  
18           use the loan funds to make loans under sub-  
19           section (d) to qualified consumers for the pur-  
20           pose of implementing energy efficiency meas-  
21           ures; and

22           “(B) at the election of any eligible entity  
23           that receives a loan under subparagraph (A), a  
24           grant in accordance with paragraph (10).”;

25           (C) in paragraph (2)—

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1 (i) in the paragraph heading, by in-  
2 serting “FOR LOANS” after “REQUIRE-  
3 MENTS”; and

4 (ii) in subparagraph (A)(i), by strik-  
5 ing “that is”;

6 (D) in paragraph (5)—

7 (i) by redesignating subparagraphs  
8 (A) and (B) as clauses (i) and (ii), respec-  
9 tively, and indenting the clauses appro-  
10 priately;

11 (ii) in the matter preceding clause (i)  
12 (as so redesignated), by striking “With re-  
13 spect to a loan under paragraph (1)” and  
14 inserting the following:

15 “(A) IN GENERAL.—Subject to subpara-  
16 graph (B), with respect to a loan under para-  
17 graph (1)(A)”;

18 (iii) by adding at the end the fol-  
19 lowing:

20 “(B) EXTENSIONS.—The Secretary may  
21 extend the term of a loan under subparagraph  
22 (A)(i), or the deadline for the repayment of an  
23 advance under subparagraph (A)(ii), as the Sec-  
24 retary determines to be appropriate.”;

25 (E) in paragraph (7)—

1 (i) in subparagraph (B), by striking  
2 “paragraph (1)” and inserting “paragraph  
3 (1)(A)”; and

4 (ii) in subparagraph (C), in the mat-  
5 ter preceding clause (i), by striking “Re-  
6 payment of the special advance” and in-  
7 serting “Subject to an applicable extension  
8 under paragraph (5)(B), repayment of a  
9 special advance under this paragraph”;

10 (F) in paragraph (8), by striking “para-  
11 graph (1)” and inserting “paragraph (1)(A)”;  
12 and

13 (G) by adding at the end the following:

14 “(10) GRANTS.—

15 “(A) IN GENERAL.—At the election of an  
16 eligible entity that receives a loan under this  
17 subsection, the Secretary shall provide to the el-  
18 igible entity a grant to pay for a portion of the  
19 costs incurred in—

20 “(i) applying for the loan;

21 “(ii) making a loan to a qualified con-  
22 sumer under subsection (d);

23 “(iii) making repairs to the property  
24 of a qualified consumer that facilitate the  
25 energy efficiency measures for the property

1 financed through a loan provided to the  
2 qualified consumer under subsection (d);

3 “(iv) entering into a contract under  
4 subsection (e); or

5 “(v) carrying out any other duties of  
6 the eligible entity under this section.

7 “(B) AMOUNT.—

8 “(i) IN GENERAL.—Except as pro-  
9 vided in clause (ii), the amount of a grant  
10 provided to an eligible entity under this  
11 paragraph shall be equal to not more than  
12 5 percent of the amount of the loan pro-  
13 vided to the eligible entity under this sub-  
14 section.

15 “(ii) PERSISTENT POVERTY COUN-  
16 TIES.—The amount of a grant provided  
17 under this paragraph to an eligible entity  
18 that will use the grant to make loans  
19 under subsection (d) to qualified con-  
20 sumers located in a persistent poverty  
21 county (as determined by the Secretary)  
22 shall be equal to 10 percent of the amount  
23 of the loan provided to the eligible entity  
24 under this subsection.”;

25 (3) in subsection (d)—

1 (A) in paragraph (1)—

2 (i) in the matter preceding subpara-  
3 graph (A), by inserting “or grant” before  
4 “funds”;

5 (ii) in subparagraph (B)—

6 (I) by striking “(B) shall fi-  
7 nance” and inserting the following:

8 “(B)(i) may have a term and amortization  
9 schedule the length of which is the useful life  
10 of the energy efficiency measures implemented  
11 using the loan, provided that the loan to the  
12 qualified consumer does not exceed 20 years;  
13 and

14 “(ii) shall finance”; and

15 (II) in clause (ii) (as so des-  
16 ignated), by striking “a loan term of  
17 not more than 10 years” and insert-  
18 ing “the applicable loan term de-  
19 scribed in clause (i)”; and

20 (iii) in subparagraph (C), by striking  
21 “unless the personal property is or be-  
22 comes attached to real property (including  
23 a manufactured home) as a fixture;” and  
24 inserting “unless the personal property—

1                   “(i) is a manufactured housing unit or  
2                   large appliance described in subsection  
3                   (b)(2)(B); or

4                   “(ii) is or becomes attached to real  
5                   property as a fixture;” and

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

7                   “(3) CLARIFICATION OF ELIGIBILITY.—Not-  
8                   withstanding any other provision of law (including  
9                   regulations), an eligible entity may make a loan  
10                  under this subsection to any qualified consumer lo-  
11                  cated within the service territory of the eligible enti-  
12                  ty, regardless of whether the qualified consumer is  
13                  located in a rural area.”;

14                  (4) in subsection (e)—

15                  (A) in the subsection heading, by inserting  
16                  “OUTREACH,” after “TRAINING,”;

17                  (B) in paragraph (1)—

18                  (i) in subparagraph (A), by striking  
19                  “and technical assistance of the program”  
20                  and inserting “outreach, and technical as-  
21                  sistance relating to the program under this  
22                  section”; and

23                  (ii) in subparagraph (B)(ii), by insert-  
24                  ing “, outreach,” after “technical assist-  
25                  ance”; and



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

2 “(3) FUNDING.—Of the amounts made avail-  
3 able under subsection (i), the Secretary may use  
4 such sums as are necessary to provide outreach,  
5 training, and technical assistance under this sub-  
6 section.”; and

7 (5) in subsection (i), by striking “2023” and in-  
8 serting “2033”.