

100-13

### ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: William F. Donnelly  
Deputy Director for Administration

EXTENSION

NO.

DD/A Registry  
E-1214

DATE

9 July 1986

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

STAT

1. [Redacted]

John:

2.

On 24 June a few of us met with Ed Slattery. He promised to provide us a copy of the law under which we could get involved in a program sponsored by him. This law is attached. Please have the lawyers determine if it's legal for us to be involved. Let me know the results. If it's legal, let's seriously consider giving his company an opportunity to demonstrate on paper what savings we might gain by doing business with him.

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[Redacted Signature]

William F. Donnelly

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Attachment:  
As stated

10.

ORIG:DDA:WFDonnelly:be

Distribution:

- 0 - PRS Adse w/att.
- 1 - DDA Subj w/att.
- 1 - WFD Chrono w/o att.

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2 July 1986

Dear Bill,

Ed Slattery called and asked me to send you a copy of the National Energy Conservation Policy Act and its Amendment. I Xeroxed what I thought were the pertinent parts which are enclosed. Please excuse my Xerox machine and its Operator.

If you need anything else let me know.

Cheers,

Fanny

See Last Page of Amendment

PUBLIC LAW 95-619 (H.R. 5037); Nov. 9, 1978

NATIONAL ENERGY CONSERVATION POLICY ACT

For Legislative History of Act, see p. 8114

An Act for the relief of Jack R. Miener.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National Energy Conservation Policy Act.

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Energy Conservation Policy Act".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title and table of contents.

Sec. 102. Findings and statement of purposes.

TITLE II—RESIDENTIAL ENERGY CONSERVATION

PART 1—UTILITY PROGRAM

- Sec. 210. Definitions.
Sec. 211. Coverage.
Sec. 212. Rules of Secretary for submission and approval of plans.
Sec. 213. Requirements for State residential energy conservation plans for regulated utilities.
Sec. 214. Plan requirements for nonregulated utilities and home heating suppliers.
Sec. 215. Utility programs.
Sec. 216. Supply, installation, and financing by public utilities.
Sec. 217. Home heating supplier programs.
Sec. 218. Temporary programs.
Sec. 219. Federal standby authority.
Sec. 220. Relationship to other laws.
Sec. 221. Rules.
Sec. 222. Product standards.
Sec. 223. Authorization of appropriations.
Sec. 224. Report on energy conservation in apartment buildings.
Sec. 225. Federal Trade Commission study and report.

PART 2—WEATHERIZATION GRANTS FOR THE BENEFIT OF LOW-INCOME FAMILIES

- Sec. 231. Department of Energy weatherization grant program.
Sec. 232. Farmers Home Administration weatherization grant program.
Sec. 233. Availability of labor.

PART 3—SECONDARY FINANCING AND LOAN INSURANCE FOR ENERGY CONSERVING IMPROVEMENTS AND SOLAR ENERGY SYSTEMS

- Sec. 241. Loan insurance for energy conserving improvements and solar energy systems under title I of the National Housing Act.
Sec. 242. Purchase by Government National Mortgage Association of loans to low- and moderate-income families for energy conserving improvements.
Sec. 243. Standby authority of Government National Mortgage Association to purchase loans for energy conserving improvements.
Sec. 244. Purchase by Government National Mortgage Association of loans for solar energy systems.
Sec. 245. Secondary financing by Federal Home Loan Mortgage Corporation for solar energy and energy conserving improvement loans.
Sec. 246. Secondary financing by Federal National Mortgage Association of solar energy and energy conserving improvement loans.

- Sec. 247. Loan insurance for energy conserving improvements and solar energy systems in multifamily projects under section 241 of the National Housing Act.
Sec. 248. Increase in mortgage limits to cover costs of solar energy systems.

PART 4—MISCELLANEOUS

- Sec. 251. Energy-conserving improvements for assisted housing.
Sec. 252. Energy conserving standards for newly constructed residential housing insured by Federal Housing Administration or assisted by Farmers Home Administration.
Sec. 253. Residential energy efficiency standards study.
Sec. 254. Weatherization study.
Sec. 255. Authorization for appropriations for new building performance standards grants.

TITLE III—ENERGY CONSERVATION PROGRAMS FOR SCHOOLS AND HOSPITALS AND BUILDINGS OWNED BY UNITS OF LOCAL GOVERNMENTS AND PUBLIC CARE INSTITUTIONS

PART 1—SCHOOLS AND HOSPITALS

- Sec. 301. Statement of findings and purposes.
Sec. 302. Amendment to the Energy Policy and Conservation Act.
Sec. 303. Technical amendments.
Sec. 304. Cross reference.

PART 2—UNITS OF LOCAL GOVERNMENT AND PUBLIC CARE INSTITUTIONS

- Sec. 310. Statement of findings and purposes.
Sec. 311. Amendment to the Energy Policy and Conservation Act.
Sec. 312. Application of Davis-Bacon Act.

TITLE IV—ENERGY EFFICIENCY STANDARDS FOR CERTAIN PRODUCTS AND PROCESSES

PART 1—ENERGY EFFICIENCY STANDARDS FOR AUTOMOBILES

- Sec. 401. Fuel economy information.
Sec. 402. Civil penalties relating to automobile fuel efficiency.
Sec. 403. Disclosure in labeling.
Sec. 404. Study.

PART 2—ENERGY EFFICIENCY STANDARDS FOR CONSUMER PRODUCTS OTHER THAN AUTOMOBILES

- Sec. 421. Test procedures.
Sec. 422. Energy efficiency standards.
Sec. 423. Assessment of civil penalties.
Sec. 424. Effect of standards on other laws.
Sec. 425. Technical and conforming amendments.
Sec. 426. Appropriations authorization.
Sec. 427. Effects of other laws on procedures.

PART 3—ENERGY EFFICIENCY OF INDUSTRIAL EQUIPMENT

- Sec. 441. Energy efficiency of industrial equipment.

PART 4—ENERGY EFFICIENCY BY USE OF RECOVERED MATERIALS

- Sec. 461. Use of recovered materials.

TITLE V—FEDERAL ENERGY INITIATIVES

PART 1—EXECUTIVE AGENCY CONSERVATION PLAN

- Sec. 501. Conservation plan authorization.

PART 2—DEMONSTRATION OF SOLAR HEATING AND COOLING IN FEDERAL BUILDINGS

- Sec. 521. Definitions.
Sec. 522. Federal solar program.

Sec. 529. Authorization of appropriations.

PART 3—ENERGY CONSERVATION AND SOLAR ENERGY IN FEDERAL BUILDINGS

- Sec. 541. Findings.
- Sec. 542. Policy.
- Sec. 543. Purpose.
- Sec. 544. Definitions.
- Sec. 545. Establishment and use of life cycle cost methods.
- Sec. 546. Energy performance targets for Federal buildings.
- Sec. 547. Energy audits and retrofitting of existing Federal buildings.
- Sec. 548. Leased Federal buildings.
- Sec. 549. Budget treatment of energy conserving improvements by Federal agencies.
- Sec. 550. Reports.
- Sec. 551. Authorization of appropriations.

PART 4—FEDERAL PHOTOVOLTAIC UTILIZATION

- Sec. 561. Short title of part.
- Sec. 562. Definitions.
- Sec. 563. Photovoltaic energy program.
- Sec. 564. Purpose of program.
- Sec. 565. Acquisition of systems.
- Sec. 566. Administration.
- Sec. 567. System evaluation and purchase program.
- Sec. 568. Advisory committee.
- Sec. 569. Authorization of appropriations.

TITLE VI—ADDITIONAL ENERGY-RELATED MEASURES

PART 1—INDUSTRIAL ENERGY EFFICIENCY REPORTING

- Sec. 601. Industrial energy efficiency reporting.

PART 2—STATE ENERGY CONSERVATION PLANS

- Sec. 621. State energy conservation plans.
- Sec. 622. Supplemental State energy conservation plans.
- Sec. 623. Report on coordination of energy conservation programs.

PART 3—MINORITY ECONOMIC IMPACT

- Sec. 641. Minority economic impact.

PART 4—CONSERVATION OF NATIONAL COAL RESOURCES

- Sec. 661. Major fuel burning stationary source.

PART 5—STUDIES

- Sec. 661. Off-highway motor vehicles.
- Sec. 662. Bicycle study.
- Sec. 663. Second law efficiency study.

PART 6—TECHNICAL AMENDMENTS

- Sec. 691. Definition of Administrator.

SEC. 102. FINDINGS AND STATEMENT OF PURPOSES.

- (a) FINDINGS.—The Congress finds that—
  - (1) the United States faces an energy shortage arising from increasing demand for energy, particularly for oil and natural gas, and insufficient domestic supplies of oil and natural gas to satisfy that demand;
  - (2) unless effective measures are promptly taken by the Federal Government and other users of energy to reduce the rate of growth of demand for energy, the United States will become increasingly

dependent on the world oil market, increasingly vulnerable to interruptions of foreign oil supplies, and unable to provide the energy to meet future needs; and

(3) all sectors of our Nation's economy must begin immediately to significantly reduce the demand for nonrenewable energy resources such as oil and natural gas by implementing and maintaining effective conservation measures for the efficient use of these and other energy sources.

(b) STATEMENT OF PURPOSES.—The purposes of this Act are to provide for the regulation of interstate commerce, to reduce the growth in demand for energy in the United States, and to conserve nonrenewable energy resources produced in this Nation and elsewhere, without inhibiting beneficial economic growth.

TITLE II—RESIDENTIAL ENERGY CONSERVATION

PART 1—UTILITY PROGRAM

SEC. 210. DEFINITIONS.

As used in this title—

(1) The term "Secretary" means the Secretary of Energy.

(2) The term "load management technique" means any technique to reduce the maximum kilowatt demand on an electric utility, including ripple or radio control mechanisms, or other types of interruptible electric service, energy storage devices, and load limiting devices.

(3) The term "natural gas" means natural gas as defined in the Natural Gas Act.

(4) The term "public utility" means any person, State agency, or Federal agency which is engaged in the business of selling natural gas or electric energy, or both, to residential customers for use in a residential building.

(5) The term "regulated utility" means a public utility with respect to whose rates a State regulatory authority has rate-making authority.

(6) The term "nonregulated utility" means a public utility which is not a regulated utility.

(7) The term "rate" means any price, rate, charge, or classification made, demanded, observed, or received with respect to sales of electric energy or natural gas, any rule, regulation, or practice respecting any such rate, charge, or classification, and any contract pertaining to the sale of electric energy or natural gas.

(8) The term "ratemaking authority" means authority to fix, modify, approve, or disapprove rates.

(9) The term "residential building" means any building used for residential occupancy which—

(A) is not a new building to which final standards under sections 304(a) and 305 of the Energy Conservation and Production Act apply,

(B) contains at least one, but no more than four, dwelling units, and

(C) has a system for heating or cooling, or both.

(10) The term "residential customer" means any person to whom—

Public Law 99-272  
99th Congress

## An Act

To provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, Ninety-ninth Congress).

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SHORT TITLE

SECTION 1. This Act may be cited as the "Consolidated Omnibus Budget Reconciliation Act of 1985".

### TABLE OF CONTENTS

- Title I. Agriculture programs.
- Title II. Armed services and defense-related programs.
- Title III. Housing and community development programs.
- Title IV. Transportation and related programs.
- Title V. Corporation for Public Broadcasting and Federal Communications Commission.
- Title VI. Maritime, coastal zone, and related programs.
- Title VII. Energy and related programs.
- Title VIII. Outer Continental Shelf and related programs.
- Title IX. Medicare, Medicaid, and Maternal and Child Health programs.
- Title X. Private health insurance coverage.
- Title XI. Single-employer plan termination insurance system amendments.
- Title XII. Income security and related programs.
- Title XIII. Revenues, trade, and related programs.
- Title XIV. Revenue sharing.
- Title XV. Civil service, postal service, and governmental affairs generally.
- Title XVI. Higher education programs.
- Title XVII. Graduate Medical Education Council and technical amendments to the Public Health Service Act.
- Title XVIII. Small business programs.
- Title XIX. Veterans' programs.
- Title XX. Miscellaneous provisions.

## TITLE I—AGRICULTURE PROGRAMS

### Subtitle A—Agricultural Program Savings

#### SEC. 1001. AGRICULTURAL PROGRAM SAVINGS.

The expenditures and outlays resulting from the provisions of title XI (relating to the export sales of dairy products) and title XIII (relating to emergency disaster loans and loan authorizations under the Agricultural Credit Insurance Fund) of the Food Security Act of 1985 (H.R. 2100, 99th Congress) shall be counted for purposes of determining savings under the Consolidated Omnibus Budget Reconciliation Act of 1985 as having been enacted under this Act.

### Subtitle B—Tobacco Program Improvements

#### SEC. 1101. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the maintenance of a viable tobacco price support and production adjustment program is in the interests of tobacco producers, purchasers of tobacco, persons employed directly or indirectly by the tobacco industry, and the localities and States whose economies and tax bases are dependent on the tobacco industry;

(2) the present tobacco price support program is in jeopardy and in need of reform;

(3) under present law, the levels of price support for tobacco have resulted in market prices for tobacco that are not competitive on the world market;

(4) as a consequence, extremely large quantities of domestic tobacco have been put under loan and placed in the inventories of the producer-owned cooperative marketing associations that administer the tobacco price support program;

(5) the increased inventories have led to a significant increase in the assessments producers are required to pay to maintain the tobacco price support program on a "no net cost" basis;

(6) such increasingly large assessments are creating a severe hardship on producers;

(7) the existence of such large inventories poses a threat to the orderly marketing of future crops of tobacco;

(8) inventories of producer associations must be significantly reduced or the tobacco price support program will collapse;

(9) the Commodity Credit Corporation is threatened with substantial losses on disposition of these inventories should the tobacco price support program collapse;

(10) it is imperative that such excess inventories of tobacco be disposed of, under the supervision of the Secretary of Agriculture, in a manner that—

(A) will not disrupt the orderly marketing of new tobacco crops;

(B) will minimize any losses to the Federal Government; and

(C) will be fair and equitable to all tobacco producers and purchasers;

(11) the mutual cooperation of tobacco producers, tobacco purchasers, producer associations, and the Secretary of Agriculture is necessary—

(A) to restore the tobacco price support program to a stable condition; and

(B) to prevent substantial losses to taxpayers that would result from the collapse of the program;

(12) restoration of stability to the tobacco price support program through a sharing of the cost of that program by purchasers of tobacco along with producers of tobacco is necessary to prevent undue burdens on, or obstruction of, interstate and foreign commerce in tobacco; and

(13) the system of grading tobacco should be thoroughly reviewed to ensure that grades are assigned to tobacco that properly state the quality of such tobacco.

to replace petroleum products withdrawn from the Reserve as a result of a test drawdown and distribution."

(b) LIMITATION ON UNITED STATES SHARE OF THE NAVAL PETROLEUM RESERVE.—Section 160(d)(1) of such Act (42 U.S.C. 6240(d)(1)) is amended—

(1) by striking out "500,000,000 barrels" in subparagraph (A) and inserting in lieu thereof "527,000,000 barrels"; and

(2) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) acquisition, transportation, and injection activities for the Reserve are being undertaken, beginning in fiscal year 1986 and continuing through fiscal years 1987 and 1988 until the quantity of crude oil in storage within the Reserve is at least 527,000,000 barrels, at a level sufficient to assure that petroleum products in storage in the Reserve will be increased at a minimum annual average rate of at least 35,000 barrels per day in addition to any petroleum products acquired for the Reserve to replace petroleum products withdrawn from the Reserve as a result of a test drawdown and distribution."

### Subtitle C—Federal Energy Conservation Shared Savings

#### SEC. 7201. SHARED ENERGY SAVINGS.

(a) IN GENERAL.—The National Energy Conservation Policy Act (42 U.S.C. 8201 and following) is amended by adding at the end the following new title:

#### "TITLE VIII—SHARED ENERGY SAVINGS

##### "SEC. 801. AUTHORITY TO ENTER INTO CONTRACTS.

"The head of a Federal agency may enter into contracts under this title solely for the purpose of achieving energy savings and benefits ancillary to that purpose. Each such contract may, notwithstanding any other provision of law, be for a period not to exceed 2 years. Such contract shall provide that the contractor shall incur the costs of implementing energy savings measures, including at least the costs (if any) incurred in making energy audits, acquiring and installing equipment, and training personnel, in exchange for a share of any energy savings directly resulting from implementation of such measures during the term of the contract.

##### "SEC. 802. PAYMENT OF COSTS.

"Any amount paid by a Federal agency pursuant to any contract entered into under this title may be paid only from funds appropriated or otherwise made available to the agency for fiscal year 1986 or any fiscal year thereafter for the payment of energy expenses (and related operation and maintenance expenses).

##### "SEC. 803. REPORTS.

"Each Federal agency shall periodically furnish the Secretary of Energy with full and complete information on its activities under this title, and the Secretary shall include in the report submitted to

Congress under section 550 a description of the progress made by each Federal agency in—

"(1) including the authority provided by this title in its contracting practices; and

"(2) achieving energy savings under contracts entered into under this title.

##### "SEC. 801. DEFINITIONS.

"For purposes of this title—

"(1) the term 'Federal agency' means an agency defined in section 551(1) of title 5, United States Code, and

"(2) the term 'energy savings' means a reduction in the cost of energy, from a base cost established through a methodology set forth in the contract, utilized in an existing federally owned building or buildings or other federally owned facilities as a result of—

"(A) the lease or purchase of operating equipment, improvements, altered operation and maintenance, or technical services; or

"(B) the increased efficient use of existing energy sources by cogeneration or heat recovery, excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities."

(b) TABLE OF CONTENTS.—The table of contents of such Act is amended by adding the following at the end:

#### "TITLE VIII—SHARED ENERGY SAVINGS

"Sec. 801. Authority to enter into contracts.

"Sec. 802. Payment of costs.

"Sec. 803. Reports.

"Sec. 804. Definitions."

### Subtitle D—Biomass Energy and Alcohol Fuels Loan Guarantees

#### SEC. 7301. BIOMASS ENERGY AND ALCOHOL FUELS LOAN GUARANTEES.

Section 221 of the Biomass Energy and Alcohol Fuels Act of 1980 (Public Law 96-294; 42 U.S.C. 8821) is amended by—

(1) striking out "September 30, 1985" and inserting in lieu thereof "June 30, 1986"; and

(2) adding at the end thereof the following: "Notwithstanding any other provision of this subtitle, the Secretary of Energy may modify the terms and conditions of any conditional commitment for a loan guarantee under this subtitle made before October 1, 1984, including the amount of the loan guarantee. Nothing in this section shall be interpreted as indicating Congressional approval with respect to any pending conditional commitments under this Act."

### Subtitle E—Synthetic Fuels

#### SEC. 7401. SHORT TITLE.

This subtitle may be cited as the "Synthetic Fuels Corporation Act of 1985".

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LAWS OF 95th CONG.—2nd SESS.

Nov. 9

"(f) The Secretary shall not promulgate labeling rules for any class of industrial equipment unless he has determined that—

"(1) labeling in accordance with this section is technologically and economically feasible with respect to such class;

"(2) significant energy savings will likely result from such labeling; and

"(3) labeling in accordance with this section is likely to assist consumers in making purchasing decisions.

"(g) When requested by the Secretary, any manufacturer of industrial equipment to which a rule under this section applies shall supply at the manufacturer's expense a reasonable number of articles of such covered equipment to any laboratory or testing facility designated by the Secretary, or permit representatives of such laboratory or facility to test such equipment at the site where it is located, for purposes of ascertaining whether the information set out on the label, or otherwise required to be disclosed, as required under this section, is accurate. Any reasonable charge levied by the laboratory or facility for such testing shall be borne by the United States, if and to the extent provided in appropriations Acts.

"(h) A labeling rule under this section shall not apply to any article of covered equipment the manufacture of which was completed before the effective date of such rule.

"(i) Until such time as labeling rules under this section take effect with respect to a type (or class) of covered equipment, this section shall not affect any authority of the Commission under the Federal Trade Commission Act to require labeling with respect to energy consumption of such type (or class) of covered equipment.

#### "ADMINISTRATION, PENALTIES, AND ENFORCEMENT

"Sec. 345. (a) The provisions of section 326 (a), (b), and (d) and sections 328 through 336 shall apply with respect to this part to the same extent and in the same manner as they apply in part B. In applying such provisions for the purposes of this part—

"(1) references to sections 323 and 324 shall be considered as references to sections 343 and 344, respectively;

"(2) references to 'this part' shall be treated as referring to part C;

"(3) the term 'equipment' shall be substituted for the term 'product'; and

"(4) the term 'Secretary' shall be substituted for 'Commission' each place it appears (other than in section 333 (c)).

#### "AUTHORIZATION OF APPROPRIATIONS

"Sec. 346. (a) There are hereby authorized to be appropriated to carry out the purposes of this subpart—

"(1) \$2,000,000 for fiscal year 1978; and

"(2) \$3,000,000 for fiscal year 1979."

(b) TECHNICAL AMENDMENTS.—The table of contents for the Energy Policy and Conservation Act is amended—

(1) by striking out "PART C", "PART D", and "PART E" in the items relating to parts C, D, and E of title III of such Act and inserting in lieu thereof "PART D", "PART E", and "PART F", respectively, and

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(2) by inserting after the item relating to section 339 the following:

#### "PART C—CERTAIN INDUSTRIAL EQUIPMENT

Sec. 340. Definitions.

Sec. 341. Purpose and coverage.

Sec. 342. Study of electric motors and pumps and other industrial equipment.

Sec. 343. Test procedures.

Sec. 344. Labeling requirements.

Sec. 345. Administration, penalties, and enforcement.

Sec. 346. Authorization of appropriations.

#### PART 4—ENERGY EFFICIENCY BY USE OF RECOVERED MATERIALS

##### SEC. 361. USE OF RECOVERED MATERIALS.

(a) FINDINGS.—The Congress finds that—

(1) significant amounts of industrial energy and other scarce natural resources are conserved in certain major energy-consuming industries where recovered materials are utilized in their manufacturing operations;

(2) substantial additional volumes of industrial energy and other scarce natural resources will be conserved in future years if such major energy-consuming industries increase to the maximum feasible extent utilization of recovered materials in their manufacturing operations;

(3) millions of tons of recoverable materials which could be used by such industries are needlessly wasted and buried each year at great cost to State and local governments, while technology and methods exist whereby those materials could readily be made available for utilization; and

(4) the recovery and utilization of such recovered materials can substantially reduce the dependence of the United States on foreign natural resources and reduce the growing deficit in its balance of payments.

(b) PURPOSES.—The purposes of this subtitle are to conserve valuable energy and scarce natural resources, promote the national security, and protect the environment by—

(1) directing that targets for increased industrial utilization of recovered materials be established for certain major energy-consuming industries;

(2) creating procedures whereby such industries may cooperate with the Federal Government in the establishment and achievement of such targets; and

(3) providing incentives for increased industrial utilization of energy-saving recovered materials in such major energy-consuming industries.

(c) TARGETS FOR USE OF RECOVERED MATERIALS.—Part E of title III of the Energy Policy and Conservation Act, as redesignated by section 441 (b) (2) of this Act, is amended by inserting the following new section after section 374:

#### "TARGETS FOR USE OF RECOVERED MATERIALS

"Sec. 374A. (a) For purposes of this section, the term 'energy-saving recovered materials' means aluminum, copper, lead, zinc, iron, steel, paper and allied paper products, textiles, and rubber, recovered from solid waste, as defined in the Solid Waste Disposal Act.

"(b) Within one year after the date of the enactment of this section, the Secretary shall set targets for increased utilization of energy-

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industries, the textile mill products industry, and the rubber industry. Such targets—

"(1) shall be based on the best available information,

"(2) shall be established at levels which represent the maximum feasible increase in utilization of energy-saving recovered materials each such industry can achieve progressively by January 1, 1987, and

"(3) shall be published in the Federal Register, together with a statement of the basis and justification for such targets.

"(c) In establishing targets under subsection (b), the Secretary shall consult with the Administrator of the Environmental Protection Agency and with each of the major industries subject to this section, and shall consider—

"(1) the technological and economic ability of each such industry progressively to increase its utilization of energy-saving recovered materials by January 1, 1987, and

"(2) all actions taken or which before such date could be taken by each such industry, or by Federal, State, or local governments to increase that industry's utilization of energy-saving recovered materials.

"(d) Any target established under subsection (b) may be modified if the Secretary—

"(1) determines that such target cannot reasonably be attained, or that it should require greater use of energy-saving recovered materials, and

"(2) publishes such determination in the Federal Register, together with a basis and justification for such modification.

"(e) Within each of the industries subject to this section, the Secretary shall notify each corporation which is a major energy consumer (within the meaning of section 373) of the requirements of this section. Not later than January 1, 1979, the chief executive officer of each such corporation (or individual designated by such officer) shall include in his report to the Secretary under section 375, or if section 376(g) applies, prepare and transmit a report which includes, a statement of the volume of energy-saving recovered materials that such corporation is using in each of its manufacturing operations located in the United States and what plans, if any, the corporation has to increase the utilization of such materials in those operations in each of the next ten years. Not later than January 1, 1980, and annually thereafter, each such corporation shall include in such report a statement of the progress it has made to increase its utilization of energy-saving recovered materials to reach targets established under this section by the Secretary for its industry. Such reports shall contain such information as the Secretary determines is necessary to measure progress toward meeting the industry targets established under this section.

"(f) The Secretary shall include in his annual report under section 375(e) a report on the industrial energy and natural resource conservation and recovery program established under this section. Each such report shall include—

"(1) a summary of the progress made toward the achievement of targets set by the Secretary under this section; and

"(2) a summary of the progress made toward meeting such targets since the date of publication of the previous report, if any."

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(d) TECHNICAL AMENDMENTS.—(1) Section 376 of such Act is amended by—

(A) inserting "or 374A" after "section 372" in subsection (b), and

(B) inserting "or any target under section 374A" after "374" in subsections (c) and (f).

(2) The table of contents of such Act is amended by inserting after the item relating to section 374 the following new item:

"374A. Targets for use of recovered materials."

## TITLE V—FEDERAL ENERGY INITIATIVE

### PART 1—EXECUTIVE AGENCY CONSERVATION PLAN

#### SEC. 381. CONSERVATION PLAN AUTHORIZATION.

Section 381 of the Energy Policy and Conservation Act (42 U.S.C. 6361) is amended by adding at the end thereof the following new subsections:

"(d) The plan developed by the President pursuant to subsection (a) (2) shall be applicable to Executive agencies as defined in section 105 of title 5, United States Code, and to the United States Postal Service.

"(e) In addition to funds authorized in any other law, there is authorized to be appropriated to the President for fiscal year 1978 not to exceed \$25,000,000, and for fiscal year 1979 not to exceed \$30,000,000, to carry out the purposes of subsection (a) (2)."

### PART 2—DEMONSTRATION OF SOLAR HEATING AND COOLING IN FEDERAL BUILDINGS

#### SEC. 321. DEFINITIONS.

As used in the part—

(1) The term "Federal agency" means—

(A) an Executive agency as defined in section 105 of title 5, United States Code; and

(B) each entity specified in paragraphs (B) through (H) of subsection (1) of section 5721 of title 5, United States Code.

(2) The term "Federal building" means any building or other structure owned in whole or part by the United States or any Federal agency, including any such structure occupied by a Federal agency under a lease-acquisition agreement under which the United States or a Federal agency will receive fee simple title under the terms of such agreement without further negotiation.

(3) The term "solar heating" means, with respect to any Federal building, the use of solar energy to meet all or part of the heating needs of such building (including hot water), or all or part of the needs of such building for hot water.

(4) The term "solar heating and cooling" means the use of solar energy to provide all or part of the heating needs of a Federal building (including hot water) and all or part of the cooling needs of such building, or all or part of the needs of such building for hot water.

(5) The term "solar energy equipment" means equipment for solar heating or solar heating and cooling.

(6) The term "Secretary" means the Secretary of Energy.

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**SEC. 522. FEDERAL SOLAR PROGRAM.**

The Secretary, in consultation with the Administrator of the General Services Administration, shall develop and carry out a program to demonstrate the application to buildings of solar heating and solar heating and cooling technology in Federal buildings.

**SEC. 523. DUTIES OF SECRETARY.**

(a) **DUTIES.**—In exercising the authority provided by section 522, the Secretary, in consultation with the Administrator of the General Services Administration, shall—

(1) promulgate, by rule—

(A) requirements under which Federal agencies shall submit proposals for the installation of solar energy equipment in Federal buildings which are under their control and which are selected in accordance with procedures set forth in such rule; and

(B) criteria by which proposals under subparagraph (A) will be evaluated, which criteria shall provide for the inclusion in each proposal of a complete analysis of the present value, as determined by the Secretary, of the costs and benefits of the proposal to the Federal agency, and for the demonstration, to the maximum extent practicable, of innovative and diverse applications to a variety of types of Federal buildings of solar heating and solar heating and cooling technology, and for location of demonstration projects in areas where a private sector market for solar energy equipment is likely to develop;

(2) evaluate in writing each such proposal pursuant to the criteria promulgated pursuant to paragraph (1)(B), and make such evaluation available to the agency and, upon request, to any person;

(3) provide technical and financial assistance by interagency agreement for implementing a proposal evaluated under paragraph (2) and approved by the Secretary; except that such assistance shall be limited to the design, acquisition, construction, and installation of solar energy equipment;

(4) provide, by rule, that Federal agencies report to the Secretary periodically such information as they acquire respecting maintenance and operation of solar energy equipment for which assistance is provided under paragraph (3);

(5) require that a life cycle cost analysis in accordance with part 3 be done for any Federal building for which a proposal is submitted under this section and the results of such analysis be included in such proposal; and

(6) if solar energy equipment for which assistance is to be provided under paragraph (3) is not the minimum life-cycle cost alternative, require the Federal agency involved to submit a report to the Secretary stating the amount by which the life-cycle cost of such equipment exceeds the minimum life-cycle cost.

(b) **CONTENTS OF PROPOSALS.**—Proposals under paragraph (1)(A) of subsection (a) shall include a list of the specific Federal buildings proposed to be provided with solar energy equipment, the funds necessary for the acquisition and installation of such equipment, the proposed implementation schedule, maintenance costs, the estimated savings in fossil fuels and electricity, the estimated payback time, and such other information as may be required by the Secretary.

(c) **INITIAL SUBMISSION OF PROPOSALS.**—Under the requirements established under subsection (a)(1)(A), initial proposals for the

installation of solar energy equipment in Federal buildings selected under subsection (a)(1)(A) shall be submitted not later than 180 days after the date of promulgation of the rule under subsection (a)(1).

**SEC. 524. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to the Secretary through fiscal year ending September 30, 1980, to carry out the purposes of this part not to exceed \$100,000,000. Funds so appropriated may be transferred by the Secretary to any Federal agency to the extent necessary to carry out the purposes of section 523(a)(3).

**PART 3—ENERGY CONSERVATION AND SOLAR ENERGY IN FEDERAL BUILDINGS****SEC. 541. FINDINGS.**

The Congress finds that—

(1) there is an urgent need to promote the design, construction, and operation of buildings to conserve and make more efficient use of fuels and energy;

(2) a shift from dependence on nonrenewable to renewable energy sources would have a beneficial effect on the Nation's overall energy supply;

(3) programs for energy conservation in buildings, along with the use of renewable energy sources, would stimulate industries and create new job opportunities for supply and servicing new or improved energy-conserving and energy-supplying systems and equipment;

(4) in the construction or renovation of buildings, the cost of energy consumed over the life of such buildings must be considered as well as the initial cost of such construction or renovation; and

(5) the Federal Government, the largest energy consumer in the United States, should be in the forefront in implementing energy conservation measures and in promoting the use of solar heating and cooling and other renewable energy sources.

**SEC. 542. POLICY.**

It is the policy of the United States that the Federal Government has the opportunity and responsibility, with the participation of industry, to further develop, demonstrate, and promote the use of energy conservation, solar heating and cooling, and other renewable energy sources in Federal buildings.

**SEC. 543. PURPOSE.**

It is the purpose of this part to promote—

(1) the use of commonly accepted methods to establish and compare the life cycle costs of operating Federal buildings, and the life cycle fuel and energy requirements of such buildings, with and without special features for energy conservation; and

(2) the use of solar heating and cooling and other renewable energy sources in Federal buildings.

**SEC. 544. DEFINITIONS.**

For purposes of this part—

(1) The term "Secretary" means the Secretary of Energy.

(2) The term "life cycle cost" means the total costs of owning, operating, and maintaining a building over its useful life, including its fuel and energy costs, determined on the basis of a system-

cost is calculated over the effective remaining term of the lease.

(3) The term "preliminary energy audit" means a determination of the energy consumption characteristics of an existing Federal building, including the size, type, rate of energy consumption and major energy using systems of such building and the climate characterizing the region where such building is located.

(4) The term "energy survey" means a procedure to be used in determining energy conservation and cost savings likely to result from appropriate energy conserving maintenance and operating procedures and modifications, including the purchase and installation of particular energy-related fixtures to a Federal building.

(5) The term "Federal building" means any building, structure, or facility which is constructed, renovated or leased or purchased in whole or in part for use by the United States, and which includes a heating system, a cooling system, or both.

(6) The term "construction" means construction and substantial reconstruction or renovation, as determined under rules prescribed by the Secretary.

(7) The term "energy performance target" means a rate of energy consumption which is the minimum practically achievable, taking into account life-cycle cost, by adjusting maintenance and operating procedures, or by modifying a Federal building's equipment or structure, or both.

**SEC. 545. ESTABLISHMENT AND USE OF LIFE CYCLE COST METHODS.**

(a) **ESTABLISHMENT OF LIFE CYCLE COST METHODS.**—The Secretary, in consultation with the Director of the Office of Management and Budget, the Director of the National Bureau of Standards, and the Administrator of the General Services Administration, shall—

(1) establish practical and effective methods for estimating and comparing life cycle costs for Federal buildings; and

(2) develop and prescribe the procedures to be followed in applying and implementing the methods so established and in conducting preliminary energy audits required by section 547.

(b) **USE OF LIFE CYCLE COSTS.**—All new Federal buildings shall be life cycle cost effective as determined in accordance with the methods established under subsection (a). In the design of new Federal buildings, cost evaluation shall be made on the basis of life cycle cost rather than initial cost.

(c) **USE IN NON-FEDERAL STRUCTURES.**—The Secretary shall make available to the public information on the use of life cycle cost methods in the construction of buildings, structures, and facilities in all segments of the economy.

**SEC. 546. ENERGY PERFORMANCE TARGETS FOR FEDERAL BUILDINGS.**

The Secretary, in consultation with the Administrator of the General Services Administration, the Director of the National Bureau of Standards, and the Director of the Office of Management and Budget, shall establish and publish energy performance targets for Federal buildings, and shall take such actions as may be necessary or appropriate to promote to the maximum extent practicable achievement of such targets by Federal buildings. The performance targets established under the preceding sentence shall be compatible with energy conservation performance standards adopted or developed by the Secretary of Housing and Urban Development for buildings.

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**SEC. 547. ENERGY AUDITS AND RETROFITTING OF EXISTING FEDERAL BUILDINGS.**

(a) **AUDITS OF BUILDINGS WITH 30,000 OR MORE SQUARE FEET.**—As soon as possible after the date of the enactment of this part, each Federal agency shall conduct, to the maximum extent feasible, a preliminary energy audit of all Federal buildings under its jurisdiction, occupancy, or control which contain 30,000 or more square feet of floor space, and shall furnish the results of such audit to the Secretary. The Secretary shall submit to the Congress a full report on all preliminary energy audits conducted under this subsection no later than August 15, 1979.

(b) **AUDITS OF FEDERAL BUILDINGS WITH 1,000 OR MORE BUT LEAS THAN 30,000 SQUARE FEET.**—As soon as possible after the completion of the preliminary energy audits required under subsection (a) (and concurrently with such audits to the maximum extent feasible in the case of any agency), each Federal agency shall conduct a preliminary energy audit of all Federal buildings under its jurisdiction, occupancy, or control which contain 1,000 or more but less than 30,000 square feet of floor space, and shall furnish the results of such audit to the Secretary. The Secretary shall submit to the Congress a full report on all preliminary energy audits conducted under this subsection no later than August 15, 1980.

(c) **RETROFIT OF FEDERAL BUILDINGS.**—(1) Each Federal agency shall, in accordance with this subsection, select from each preliminary energy audit conducted by such agency under subsections (a) and (b) appropriate Federal buildings under its jurisdiction, occupancy, or control for retrofit measures to improve their energy efficiency in general and to minimize their life cycle cost. Such measures shall include, without being limited to, energy conservation measures, measures involving solar technology and other renewable energy resources, and any maintenance and operating procedures and particular energy-related modifications determined appropriate by an energy survey. In selecting the measures to be applied, Federal agencies shall give priority to changes in maintenance and operating procedures over measures requiring substantial structural modification or the installation of equipment.

(2) At least 1 percent of the total gross square floor footage contained in all Federal buildings which are under the jurisdiction, occupancy, or control of Federal agencies, and which are included in a preliminary energy audit conducted by such agencies under subsection (a) and (b) shall be retrofitted by such agencies under paragraph (1) pursuant to actions taken or arrangements made by such agencies during the first full fiscal year beginning after the date of the enactment of this part; and an additional percentage of such total gross square footage equal to at least 1 percentage point higher than the percentage applicable under this paragraph in the preceding year shall be so retrofitted pursuant to actions taken, or arrangements made during the second and third such fiscal years, with a view to achieving full compliance with paragraph (3) by the time specified therein.

(3) On or before January 1, 1990, all Federal buildings which are under the jurisdiction, occupancy, or control of any Federal agency shall be the subject of such retrofit measures under paragraph (1) as will assure their minimum life cycle costs.

**SEC. 548. LEASED FEDERAL BUILDINGS.**

In leasing buildings for its own use or that of another Federal agency, each Federal agency shall give appropriate preference to

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