

By: Dukes

H.B. No. 592

A BILL TO BE ENTITLED

AN ACT

relating to energy efficiency programs developed by the energy office.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 2305, Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. TEXAS ENERGY ASSISTANCE LOAN PROGRAM

Sec. 2305.101. DEFINITIONS. In this subchapter:

(1) "Cost-effective" means, with respect to an energy efficiency improvement to residential housing or a piece of agricultural equipment, an improvement in which the total cost of the improvement, including any maintenance and repair expenses, is less than the value of energy saved over the useful life of the improvement.

(2) "Energy efficiency improvement" means:

(A) a durable and serviceable modification to the design of a structure or piece of agricultural equipment that results in a measurable decrease in energy consumption by the structure or piece of equipment; or

(B) other energy conservation measures that may be established by the energy office by rule.

(3) "Energy efficiency improvement loan" means a loan that provides financing incentives for a person who uses the loan to make an energy efficiency improvement to an existing structure or

1 piece of agricultural equipment.

2 (4) "Energy efficiency mortgage" means a mortgage that
3 provides financing incentives:

4 (A) for the purchase of energy-efficient
5 residential housing; or

6 (B) for energy efficiency improvements to
7 existing residential housing by incorporating the cost of the
8 improvements into the mortgage.

9 (5) "Program" means the Texas Energy Assistance Loan
10 Program.

11 (6) "Residential housing" means a structure on a
12 residential property with one or more dwelling units.

13 Sec. 2305.102. TEXAS ENERGY ASSISTANCE LOAN PROGRAM. (a)
14 The energy office shall implement and maintain the Texas Energy
15 Assistance Loan Program.

16 (b) Under the program, the energy office shall:

17 (1) coordinate the delivery and marketing of mortgage
18 incentives to purchase energy-efficient residential housing and to
19 improve the energy efficiency of existing residential housing;

20 (2) provide training and technical assistance for:

21 (A) persons conducting energy efficiency
22 ratings; and

23 (B) the energy-efficient construction, design,
24 and remodeling of residential housing;

25 (3) provide educational workshops or seminars on the
26 benefits of the program for:

27 (A) stakeholders in the program;

1 (B) consumers of residential housing; and

2 (C) consumers of agricultural equipment;

3 (4) develop and purchase assessment tools, including
4 software and monitoring equipment;

5 (5) develop a database to track energy efficiency
6 improvements in the state;

7 (6) provide follow-up evaluation of homeowner
8 responsiveness to, understanding of, and satisfaction with energy
9 efficiency improvements;

10 (7) conduct market penetration studies; and

11 (8) implement:

12 (A) projects as required by this subchapter; and

13 (B) other initiatives that the energy office may
14 develop to promote energy-efficient residential housing.

15 (c) The energy office shall establish a system for
16 monitoring and evaluating the program.

17 (d) The energy office shall consult with other appropriate
18 state agencies to ensure coordination and avoid duplication of
19 activities authorized under this subchapter.

20 (e) The energy office may adopt rules necessary to implement
21 this subchapter.

22 Sec. 2305.103. FUNDS. (a) The energy office shall fund
23 projects and initiatives under this subchapter from funds available
24 under this chapter.

25 (b) In addition to the use of funds available under this
26 chapter, the energy office shall maximize procurement of funds from
27 alternative sources, including:

1 (1) program grants available through federal
2 agencies;

3 (2) federal legislative appropriations available to
4 state agency programs that promote energy efficiency in residential
5 housing;

6 (3) financial incentives provided through other state
7 agencies; and

8 (4) financial incentives provided by private and
9 nonprofit organizations and agencies.

10 Sec. 2305.104. VOLUNTARY PARTICIPATION. The energy office
11 shall promote voluntary participation in the program from:

12 (1) private lenders;

13 (2) builders and residential contractors;

14 (3) persons who rebuild, redevelop, repair, retrofit,
15 or renovate structures to restore the structures' usefulness as
16 residential housing;

17 (4) persons who rebuild, redevelop, repair, retrofit,
18 or renovate agricultural equipment;

19 (5) consumers of residential housing;

20 (6) owners of single-family and multifamily
21 residential housing;

22 (7) other participants in the residential housing
23 industry; and

24 (8) owners of agricultural equipment.

25 Sec. 2305.105. VOLUNTARY PARTICIPATION GUIDELINES. (a) The
26 energy office shall annually, by rule, issue voluntary
27 participation guidelines for energy-efficient residential

1 construction that may be used by state and local governments,
2 utilities, builders, real estate agents, lenders, agencies in
3 mortgage markets, and other persons as determined by the energy
4 office, to enable and encourage the assignment of uniform energy
5 efficiency ratings to residential housing and agricultural
6 equipment.

7 (b) The voluntary participation guidelines issued under
8 Subsection (a) must:

9 (1) establish baseline standards that are consistent
10 with the International Energy Conservation Code for residential
11 buildings;

12 (2) use a scaled rating to determine the energy
13 efficiency rating achieved by making energy efficiency
14 improvements;

15 (3) establish protocols and procedures for:

16 (A) certification of the technical accuracy of
17 energy efficiency rating tools used to determine the energy
18 efficiency of residential housing;

19 (B) training of personnel conducting energy
20 efficiency ratings;

21 (C) data collection and reporting;

22 (D) quality control; and

23 (E) monitoring and evaluation;

24 (4) encourage consistency with the programs of federal
25 or other public departments and agencies, as well as private
26 organizations that sponsor energy efficiency mortgages and promote
27 energy efficiency in residential housing;

1 (5) set up a structure for the rating system that
2 addresses local climate conditions and construction practices,
3 solar energy collected on-site, and similar conditions that vary
4 across the geographic regions of the state; and

5 (6) establish procedures to ensure that residential
6 buildings can receive an energy efficiency rating at the time of
7 sale and that the rating is communicated to potential buyers.

8 Sec. 2305.106. ADVISORY TASK FORCE. In developing the
9 guidelines and procedures for the program, the energy office shall
10 consult with an advisory task force composed of state and local
11 agencies involved in residential housing programs, builders,
12 building code organizations, energy efficiency organizations,
13 utilities, real estate agents, lenders, agencies in mortgage
14 markets, and representatives from any other appropriate industries
15 or other interested members of the public, as determined by the
16 energy office.

17 Sec. 2305.107. HOMEBUYER MORTGAGE PROJECT. The energy
18 office shall develop and implement a project design for delivering
19 energy efficiency mortgage loans to consumers who purchase
20 energy-efficient residential housing. The design must:

21 (1) establish procedures for the certification of the
22 energy efficiency of a residential structure, using the guidelines
23 established under Section 2305.105, for a person considering the
24 purchase of the structure with an energy efficiency mortgage;

25 (2) identify a pool of lenders to originate the loans;

26 (3) identify the appropriate secondary market where
27 the energy efficiency mortgage can be transferred or sold, if

1 necessary, to buy down the rate of the loan;

2 (4) coordinate loan counseling services; and

3 (5) specify a mechanism for quality control.

4 Sec. 2305.108. ENERGY EFFICIENCY IMPROVEMENT PROJECT. The
5 energy office shall develop and implement a project design for
6 delivering energy efficiency improvement loans to property owners
7 who make cost-effective energy efficiency improvements to existing
8 residential housing. The design must:

9 (1) identify a pool of lenders to originate the loans;

10 (2) require a preloan audit to identify cost-effective
11 improvements that will improve the energy efficiency of the
12 structure;

13 (3) identify a pool of auditors trained to perform
14 energy efficiency inspections of residential housing;

15 (4) coordinate the loan application process with
16 auditor and contractor referral services;

17 (5) specify that the auditor shall provide the
18 property owner with a report before an energy efficiency
19 improvement is made, including:

20 (A) baseline building standards for the
21 structure before the energy efficiency improvements;

22 (B) an itemized list of recommendations for
23 cost-effective improvements that would improve the energy
24 efficiency of the structure;

25 (C) the energy savings resulting from each of the
26 improvements;

27 (D) the environmental benefits of the

1 improvements;

2 (E) the costs of the recommended improvements;

3 and

4 (F) a rating reflecting the current energy
5 efficiency of the structure and a rating reflecting what the energy
6 efficiency rating would be with some or all of the recommended
7 improvements;

8 (6) coordinate loan counseling services; and

9 (7) specify a mechanism for quality control.

10 Sec. 2305.109. AGRICULTURAL EQUIPMENT MORTGAGE PROJECT.

11 The energy office shall develop and implement a project design for
12 delivering energy efficiency improvement loans to owners of
13 agricultural equipment who make energy efficiency improvements to
14 the equipment. The design must:

15 (1) identify a pool of lenders to originate the loans;

16 (2) require a preloan audit to identify cost-effective
17 improvements that will improve the energy efficiency of the
18 agricultural equipment;

19 (3) identify a pool of auditors trained to perform
20 energy efficiency inspections of agricultural equipment;

21 (4) coordinate the loan application process with
22 auditor and contractor referral services;

23 (5) specify that the auditor shall provide the owner
24 of the agricultural equipment with a report before an energy
25 efficiency improvement is made, including:

26 (A) baseline performance standards for the
27 agricultural equipment before the energy efficiency improvements;

1 (B) an itemized list of recommendations for
2 cost-effective improvements that would improve the energy
3 efficiency of the agricultural equipment;

4 (C) the energy savings resulting from each of the
5 improvements;

6 (D) the environmental benefits of the
7 improvements;

8 (E) the costs of the recommended improvements;
9 and

10 (F) a rating reflecting the current energy
11 efficiency of the agricultural equipment and a rating reflecting
12 what the energy efficiency rating would be with some or all of the
13 recommended improvements;

14 (6) coordinate loan counseling services; and

15 (7) specify a mechanism for quality control.

16 Sec. 2305.110. HOME RATING AND MORTGAGE MARKETING PROJECT.

17 The energy office shall develop and implement a project design for
18 marketing the home rating system developed under Section 2305.105
19 and the delivery of energy efficiency mortgages and energy
20 efficiency improvement loans. The design must specify how the
21 comptroller of public accounts will:

22 (1) coordinate with the United States Environmental
23 Protection Agency to market the loans;

24 (2) target consumers, contractors, energy auditors,
25 lenders, realtors, and other stakeholders; and

26 (3) establish partnerships with lenders, realtors,
27 contractors, energy auditors, and other program partners who will

1 benefit from a loan program referral service to help market the
2 program.

3 SECTION 2. (a) This Act takes effect September 1, 2003.

4 (b) The state energy conservation office of the comptroller
5 of public accounts shall deliver the first set of guidelines
6 required by Section 2305.105, Government Code, as added by this
7 Act, not later than January 1, 2004.