

117TH CONGRESS
1ST SESSION

S. 2665

To require the Secretary of Energy to establish a grant program to incentivize small business participation in demand side management programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2021

Ms. CORTEZ MASTO (for herself, Mrs. GILLIBRAND, and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To require the Secretary of Energy to establish a grant program to incentivize small business participation in demand side management programs, and for other purposes.

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 “Main Street Efficiency
5 Act of 2021”.

6 **SEC. 2. FINDINGS; PURPOSES.**

7 (a) FINDINGS.—Congress finds that—

1 (1) small businesses in the United States em-
2 ploy roughly half of the workforce, and create about
3 half of the gross domestic product, of the United
4 States;

5 (2) 30,000,000 workers in the United States re-
6 main at risk of long-term unemployment, and 1 in
7 4 small businesses in the United States remain at
8 risk of long-term closure, as a result of the COVID-
9 19 pandemic;

10 (3) prior to the COVID-19 pandemic, there
11 were 2,400,000 workers in the United States em-
12 ployed in the energy efficiency sector, which was
13 growing at a rate 3 times greater than that of the
14 overall economy of the United States;

15 (4) over 300,000 energy efficiency workers re-
16 main unemployed as of January 1, 2021, due to the
17 COVID-19 pandemic;

18 (5) nearly 80 percent of energy efficiency work-
19 ers are employed by companies with fewer than 20
20 employees;

21 (6) United States small business energy bills
22 total \$60,000,000,000 annually, of which 30 percent
23 could be saved through energy efficiency improve-
24 ments, which would save small businesses
25 \$18,000,000,000 annually;

1 (7) three-quarters of electric and natural gas
2 utility companies in the United States operate de-
3 mand side management programs to incentivize cus-
4 tomers to make energy efficiency improvements; and

5 (8) participation rates for small businesses in
6 demand side management programs are typically
7 very low because small businesses do not have the
8 capital to meet the customer contribution that utili-
9 ties require.

10 (b) PURPOSES.—The purposes of this Act are—

11 (1) to make small businesses more financially
12 viable through energy efficiency improvements that
13 lower monthly utility bills;

14 (2) to restore and create energy efficiency jobs
15 across the United States;

16 (3) to provide work and revenue streams for
17 small businesses in the energy efficiency sector;

18 (4) to ensure that demand side management
19 programs for small businesses include participation
20 by—

21 (A) minority, women, and veteran-owned
22 small businesses;

23 (B) small businesses in disadvantaged
24 neighborhoods; and

25 (C) newly created small businesses;

1 (5) to increase small business participation
2 rates in demand side management programs;

3 (6) to reduce the energy demand and emissions
4 of the United States associated with energy use; and

5 (7) to improve the indoor environments of small
6 businesses across the United States.

7 **SEC. 3. GRANTS FOR DEMAND SIDE MANAGEMENT PRO-**
8 **GRAMS.**

9 (a) DEFINITIONS.—In this section:

10 (1) CUSTOMER CONTRIBUTION.—The term
11 “customer contribution” means the portion of the
12 total cost of an activity carried out under a demand
13 side management program that an eligible small
14 business is responsible for covering to secure invest-
15 ment from a qualifying utility or program adminis-
16 trator.

17 (2) DEMAND SIDE MANAGEMENT PROGRAM.—

18 (A) IN GENERAL.—The term “demand side
19 management program” means a program to
20 plan, implement, and monitor activities of a
21 qualifying utility or program administrator that
22 are designed to encourage an eligible small
23 business to modify their level or pattern of elec-
24 tricity or natural gas usage in a manner that

1 reduces the monthly energy costs of that eligi-
2 ble small business.

3 (B) INCLUSIONS.—The term “demand side
4 management program” includes any activity
5 that—

6 (i) improves the efficiency of any end-
7 use appliance or equipment that uses elec-
8 tricity or natural gas;

9 (ii) reduces monthly energy usage
10 through weatherization, energy efficiency
11 retrofitting, or infrastructure improve-
12 ments;

13 (iii) enables or enhances overall en-
14 ergy or cost savings through digital tech-
15 nologies;

16 (iv) improves the effectiveness of a
17 program through digital analytics or en-
18 gagement;

19 (v) improves the demand response ca-
20 pabilities of a qualifying utility; or

21 (vi) supports the deployment of elec-
22 tric vehicles or energy storage technology.

23 (3) DIVERSE SUPPLIER.—The term “diverse
24 supplier” means a service provider or supplier at
25 least 51 percent of which is owned, operated, or con-

1 trolled by an individual who is a minority, a woman,
2 a veteran, disabled, or identifies as lesbian, gay, bi-
3 sexual, transgender, or queer (also known as
4 “LGBTQ”).

5 (4) ELECTRIC UTILITY.—The term “electric
6 utility” has the meaning given the term in section
7 3 of the Public Utility Regulatory Policies Act of
8 1978 (16 U.S.C. 2602).

9 (5) ELIGIBLE SMALL BUSINESS.—The term “el-
10 igible small business” means a small commercial ac-
11 count utility customer, as determined by the applica-
12 ble qualifying utility or program administrator that
13 receives a grant under this section, that—

14 (A) has a peak demand of less than 300
15 kilowatts of electricity in any billing month; and

16 (B) uses less than 150,000 therms of nat-
17 ural gas each year.

18 (6) GAS UTILITY.—The term “gas utility” has
19 the meaning given the term in section 302 of the
20 Public Utility Regulatory Policies Act of 1978 (15
21 U.S.C. 3202).

22 (7) MINORITY OWNED OR CONTROLLED.—The
23 term “minority owned or controlled” means, with re-
24 spect to an eligible small business, an eligible small
25 business—

1 (A)(i) that is privately owned and for-prof-
2 it; and

3 (ii) at least 51 percent of which is owned
4 or controlled by individuals who are of Asian-
5 Indian, Asian-Pacific, Black, Latino, or Native
6 American origin or descent;

7 (B)(i) that is publicly owned; and

8 (ii) at least 51 percent of the stock of
9 which is owned by 1 or more individuals of
10 Asian-Indian, Asian-Pacific, Black, Latino, or
11 Native American origin or descent; or

12 (C)(i) that is a not-for-profit business;

13 (ii) at least 51 percent of the governing
14 body or board of directors of which is composed
15 of and controlled by individuals who are of
16 Asian-Indian, Asian-Pacific, Black, Latino, or
17 Native American origin or descent; and

18 (iii) the management and daily operations
19 of which are controlled by individuals described
20 in clause (ii).

21 (8) PROGRAM ADMINISTRATOR.—The term
22 “program administrator” means a nonutility organi-
23 zation, such as a State government, contractor, or
24 nonprofit organization, that administers a demand
25 side management program that is funded by—

1 (A) public benefit charges to utility cus-
2 tomers, as approved by the governing body of
3 the nonutility organization; or

4 (B) other targeted funds from qualifying
5 utilities or State governments.

6 (9) QUALIFYING UTILITY.—The term “quali-
7 fying utility” means an entity that—

8 (A) is an electric utility or gas utility
9 that—

10 (i) is owned by investors;

11 (ii) is a political subdivision of a State
12 or an Indian Tribe, such as a municipally
13 owned utility, agency, authority, corpora-
14 tion, or instrumentality of a State or an
15 Indian Tribe;

16 (iii) is a rural electric cooperative; or

17 (iv) is primarily responsible for car-
18 rying out a demand side management pro-
19 gram that is funded by utility ratepayers;

20 (B) operates in the United States, a terri-
21 tory of the United States, or on land owned by
22 a federally recognized Indian Tribe; and

23 (C) has established a demand side manage-
24 ment program for eligible small businesses as of

1 the date on which the qualifying utility submits
2 an application under subsection (c)(1).

3 (10) SECRETARY.—The term “Secretary”
4 means the Secretary of Energy.

5 (b) ESTABLISHMENT.—Not later than 60 days after
6 the date of enactment of this Act, the Secretary shall es-
7 tablish and carry out a program to provide grants to quali-
8 fying utilities and program administrators in accordance
9 with this section.

10 (c) APPLICATIONS.—

11 (1) IN GENERAL.—To apply for a grant under
12 this section, a qualifying utility or program adminis-
13 trator shall submit to the Secretary an application
14 at such time, in such manner, and containing such
15 information as the Secretary may require.

16 (2) PRIORITY.—In awarding grants under this
17 section, the Secretary shall, to the maximum extent
18 practicable, give priority to a qualifying utility or
19 program administrator that will carry out a demand
20 side management program that—

21 (A) utilizes diverse suppliers; and

22 (B) includes as participants eligible small
23 businesses that—

24 (i) operate in an underserved, rural,
25 or economically disadvantaged community;

1 (ii) are owned and operated by mem-
2 bers of the Armed Forces who are serving
3 on active duty, separated from active duty,
4 or retired from active duty;

5 (iii) are minority owned or controlled;

6 (iv) are owned and operated by so-
7 cially and economically disadvantaged indi-
8 viduals;

9 (v) have operated for less than 7
10 years as of the date on which the quali-
11 fying utility or program administrator sub-
12 mits an application for a grant under para-
13 graph (1);

14 (vi) operate in diverse geographic lo-
15 cations, as determined by the qualifying
16 utility or program administrator, as appli-
17 cable; or

18 (vii) are of varying business types.

19 (3) DEADLINE FOR SELECTION.—Subject to the
20 availability of appropriations and paragraph (4), the
21 Secretary shall determine whether to provide a grant
22 to a qualifying utility or program administrator that
23 submits an application under paragraph (1) not
24 later than the date that is 30 days after the date on
25 which the application is submitted.

1 (4) DELAYED ISSUANCE OF AWARDS.—The Sec-
2 retary may not provide grants under this section
3 until the date that is 45 days after the date on
4 which the Secretary begins to accept applications
5 under paragraph (1).

6 (d) GRANT FUNDS.—

7 (1) USE OF FUNDS.—A qualifying utility or
8 program administrator that receives a grant under
9 this section shall use the grant funds to pay cus-
10 tomer contributions.

11 (2) LIMITATIONS ON GRANT AMOUNTS.—

12 (A) MAX GRANT AMOUNT.—The amount of
13 a grant awarded under this section to a quali-
14 fying utility or program administrator that car-
15 ries out a demand side management program
16 shall not exceed the lesser of—

17 (i) the amount of funding the quali-
18 fying utility or program administrator, as
19 applicable, commits to spending on the de-
20 mand side management program for the
21 period of the grant; and

22 (ii) \$100,000,000.

23 (B) NO REDUCTION IN UTILITY CONTRIBU-
24 TIONS.—In providing grants under this section,
25 the Secretary shall enter into an agreement

1 with each grant recipient to ensure that each
2 grant recipient does not, as a result of receiving
3 a grant under this section, reduce the amount
4 it spends paying for the costs of activities car-
5 ried out under a demand side management pro-
6 gram for the benefit of any of customer classes
7 of that grant recipient.

8 (C) USE OF FUNDS FOR ENERGY EFFI-
9 CIENT INFRASTRUCTURE.—A qualifying utility
10 or program administrator awarded a grant
11 under this section shall use not more than 25
12 percent of the grant funds to support activities
13 relating to the deployment of electric vehicles,
14 distributed energy resources, or energy storage
15 technology.

16 (D) USE OF FUNDS FOR DEMAND SIDE
17 MANAGEMENT PROGRAM COSTS.—Of the grant
18 funds provided under this section to a quali-
19 fying utility or program administrator, the
20 amount used by the qualifying utility or pro-
21 gram administrator to pay a customer contribu-
22 tion, or any portion of a customer contribution,
23 may not—

24 (i) exceed the amount of non-Federal
25 funding that the qualifying utility or pro-

1 gram administrator, as applicable, spends
2 on activities carried out under a demand
3 side management program; or

4 (ii) represent more than 50 percent of
5 the total costs of those activities.

6 (E) ADMINISTRATIVE COSTS.—

7 (i) IN GENERAL.—A qualifying utility
8 or program administrator awarded a grant
9 under this section shall use not more than
10 10 percent of the grant funds to pay for
11 the administrative costs relating to the car-
12 rying out of activities under a demand side
13 management program.

14 (ii) RATES.—Nothing in this sub-
15 section shall affect the ability of a quali-
16 fying utility or program administrator that
17 receives a grant under this section to
18 charge a federally approved indirect rate.

19 (e) ASSESSMENT AND REPORT.—

20 (1) IN GENERAL.—The Secretary shall carry
21 out an annual assessment of the effect of grants
22 provided under this section on energy use, economic
23 outcomes, the environment, and social outcomes, in-
24 cluding with respect to—

1 (A) the electricity and natural gas usage
2 (in terms of kilowatt hours, kilowatts, and
3 therms) of each eligible small business that par-
4 ticipated in a demand side management pro-
5 gram carried out by a qualifying utility or pro-
6 gram administrator that received a grant under
7 this section;

8 (B) the changes in the level of customer
9 contributions;

10 (C) the cost to eligible small businesses of
11 purchasing electricity and natural gas;

12 (D) job creation, wages, benefits, career
13 development opportunities, and the diversity of
14 the energy efficiency workforce;

15 (E) the extent to which—

16 (i) qualified utilities and program ad-
17 ministrators, as applicable, utilize diverse
18 suppliers; and

19 (ii) minority owned or controlled eligi-
20 ble small businesses benefit from the pro-
21 gram;

22 (F) the amount of non-Federal invest-
23 ments made in demand side management pro-
24 grams; and

25 (G) the electric grid, including effects on—

- 1 (i) load flexibility;
2 (ii) cost efficiency;
3 (iii) avoidance of new capacity; and
4 (iv) any other relevant benefits, as de-
5 termined by the Secretary.

6 (2) USE OF PROGRAM EVALUATION DATA.—To
7 the extent practicable, the Secretary shall carry out
8 an assessment under paragraph (1) using data that
9 includes any data made available through program
10 evaluations that are completed by qualifying utilities
11 or program administrators in response to the re-
12 quirements of the governing body of the qualifying
13 utility or program administrator.

14 (3) REPORT.—Beginning in the first calendar
15 year that begins after the date of enactment of this
16 Act, and annually thereafter, the Secretary shall, not
17 later than April 30 of each year, submit to Congress
18 a report on the results of the most recent assess-
19 ment carried out under paragraph (1).

20 (f) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—There is authorized to be
22 appropriated to the Secretary to carry out this sec-
23 tion \$6,000,000,000 for fiscal year 2022, to remain
24 available until expended.

1 (2) UNUSED AMOUNTS.—Any amount of a
2 grant provided under this section that has not been
3 used by a qualifying utility or program adminis-
4 trator by the date that is 3 years after the date on
5 which the grant was provided—

6 (A) shall be returned to the Treasury; and

7 (B) is authorized to be appropriated to
8 carry out this section in addition to the
9 amounts authorized to be appropriated under
10 paragraph (1).

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