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117TH CONGRESS
1ST SESSION

H. R. 4903

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 HOUSE OF REPRESENTATIVES

JULY 30, 2021

Mr. WELCH introduced the following bill; which was referred to the Committee on Energy and Commerce

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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.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Main Street Efficiency Act of 2021’’.

SEC. 2. FINDINGS; PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) small businesses in the United States employ roughly half of the workforce, and create about half of the gross domestic product, of the United States;

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

(3) prior to the COVID–19 pandemic, there were 2,400,000 workers in the United States employed in the energy efficiency sector, which was growing at a rate 3 times greater than that of the overall economy of the United States;

(4) over 300,000 energy efficiency workers remain unemployed as of January 1, 2021, due to the COVID–19 pandemic;

(5) nearly 80 percent of energy efficiency workers are employed by companies with fewer than 20 employees;

(6) United States small business energy bills total $60,000,000,000 annually, of which 30 percent could be saved through energy efficiency improvements, which would save small businesses $18,000,000,000 annually;

(7) three-quarters of electric and natural gas utility companies in the United States operate demand side management programs to incentivize customers to make energy efficiency improvements; and

(8) participation rates for small businesses in demand side management programs are typically very low because small businesses do not have the capital to meet the customer contribution that utilities require.

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

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

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

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

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

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

(B) small businesses in disadvantaged neighborhoods; and

(C) newly created small businesses;

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

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

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

SEC. 3. GRANTS FOR DEMAND SIDE MANAGEMENT PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) CUSTOMER CONTRIBUTION.—The term ‘‘customer contribution’’ means the portion of the total cost of an activity carried out under a demand side management program that an eligible small business is responsible for covering to secure investment from a qualifying utility or program administrator.

(2) DEMAND SIDE MANAGEMENT PROGRAM.—

(A) IN GENERAL.—The term ‘‘demand side management program’’ means a program to plan, implement, and monitor activities of a qualifying utility or program administrator that are designed to encourage an eligible small business to modify their level or pattern of electricity or natural gas usage in a manner that reduces the monthly energy costs of that eligible small business.

(B) INCLUSIONS.—The term ''demand side management program'' includes any activity that—

(i) improves the efficiency of any end-use appliance or equipment that uses electricity or natural gas;

(ii) reduces monthly energy usage through weatherization, energy efficiency retrofitting, or infrastructure improvements;

(iii) enables or enhances overall energy or cost savings through digital technologies;

(iv) improves the effectiveness of a program through digital analytics or engagement;

(v) improves the demand response capabilities of a qualifying utility; or

(vi) supports the deployment of electric vehicles or energy storage technology.

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

trolled by an individual who is a minority, a woman, a veteran, disabled, or identifies as lesbian, gay, bisexual, transgender, or queer (also known as "LGBTQ").

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

(5) ELIGIBLE SMALL BUSINESS.—The term "eligible small business" means a small commercial account utility customer, as determined by the applicable qualifying utility or program administrator that receives a grant under this section, that—

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

(B) uses less than 150,000 therms of natural gas each year.

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

(7) MINORITY OWNED OR CONTROLLED.—The term "minority owned or controlled" means, with respect to an eligible small business, an eligible small business—

(A)(i) that is privately owned and for-profit; and

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

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

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

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

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

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

(8) PROGRAM ADMINISTRATOR.—The term "program administrator" means a nonutility organization, such as a State government, contractor, or nonprofit organization, that administers a demand side management program that is funded by—

(A) public benefit charges to utility customers, as approved by the governing body of the nonutility organization; or

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

(9) QUALIFYING UTILITY.—The term ''qualifying utility'' means an entity that—

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

(i) is owned by investors;

(ii) is a political subdivision of a State or an Indian Tribe, such as a municipally owned utility, agency, authority, corporation, or instrumentality of a State or an Indian Tribe;

(iii) is a rural electric cooperative; or

(iv) is primarily responsible for carrying out a demand side management program that is funded by utility ratepayers;

(B) operates in the United States, a territory of the United States, or on land owned by a federally recognized Indian Tribe; and

(C) has established a demand side management program for eligible small businesses as of the date on which the qualifying utility submits an application under subsection (c)(1).

(10) SECRETARY.—The term "Secretary" means the Secretary of Energy.

(b) ESTABLISHMENT.—Not later than 60 days after the date of enactment of this Act, the Secretary shall establish and carry out a program to provide grants to qualifying utilities and program administrators in accordance with this section.

(c) APPLICATIONS.—

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

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

(A) utilizes diverse suppliers; and

(B) includes as participants eligible small businesses that—

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

(ii) are owned and operated by members of the Armed Forces who are serving on active duty, separated from active duty, or retired from active duty;

(iii) are minority owned or controlled;

(iv) are owned and operated by socially and economically disadvantaged individuals;

(v) have operated for less than 7 years as of the date on which the qualifying utility or program administrator submits an application for a grant under paragraph (1);

(vi) operate in diverse geographic locations, as determined by the qualifying utility or program administrator, as applicable; or

(vii) are of varying business types.

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

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

(d) GRANT FUNDS.—

(1) USE OF FUNDS.—A qualifying utility or program administrator that receives a grant under this section shall use the grant funds to pay customer contributions.

(2) LIMITATIONS ON GRANT AMOUNTS.—

(A) MAX GRANT AMOUNT.—The amount of a grant awarded under this section to a qualifying utility or program administrator that carries out a demand side management program shall not exceed the lesser of—

(i) the amount of funding the qualifying utility or program administrator, as applicable, commits to spending on the demand side management program for the period of the grant; and

(ii) $100,000,000.

(B) NO REDUCTION IN UTILITY CONTRIBUTIONS.—In providing grants under this section, the Secretary shall enter into an agreement with each grant recipient to ensure that each grant recipient does not, as a result of receiving a grant under this section, reduce the amount it spends paying for the costs of activities carried out under a demand side management program for the benefit of any of customer classes of that grant recipient.

(C) USE OF FUNDS FOR ENERGY EFFICIENT INFRASTRUCTURE.—A qualifying utility or program administrator awarded a grant under this section shall use not more than 25 percent of the grant funds to support activities relating to the deployment of electric vehicles, distributed energy resources, or energy storage technology.

(D) USE OF FUNDS FOR DEMAND SIDE MANAGEMENT PROGRAM COSTS.—Of the grant funds provided under this section to a qualifying utility or program administrator, the amount used by the qualifying utility or program administrator to pay a customer contribution, or any portion of a customer contribution, may not—

(i) exceed the amount of non-Federal funding that the qualifying utility or program administrator, as applicable, spends on activities carried out under a demand side management program; or

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

(E) ADMINISTRATIVE COSTS.—

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

(ii) RATES.—Nothing in this subsection shall affect the ability of a qualifying utility or program administrator that receives a grant under this section to charge a federally approved indirect rate.

(e) ASSESSMENT AND REPORT.—

(1) IN GENERAL.—The Secretary shall carry out an annual assessment of the effect of grants provided under this section on energy use, economic outcomes, the environment, and social outcomes, including with respect to—

(A) the electricity and natural gas usage (in terms of kilowatt hours, kilowatts, and therms) of each eligible small business that participated in a demand side management program carried out by a qualifying utility or program administrator that received a grant under this section;

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

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

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

(E) the extent to which—

(i) qualified utilities and program administrators, as applicable, utilize diverse suppliers; and

(ii) minority owned or controlled eligible small businesses benefit from the program;

(F) the amount of non-Federal investments made in demand side management programs; and

(G) the electric grid, including effects on—

(i) load flexibility;

(ii) cost efficiency;

(iii) avoidance of new capacity; and

(iv) any other relevant benefits, as determined by the Secretary.

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

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

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Secretary to carry out this section $6,000,000,000 for fiscal year 2022, to remain available until expended.

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

(A) shall be returned to the Treasury; and

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

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