

the eligible unit of local government or Indian tribe.

**(c) States**

**(1) Distribution of funds**

**(A) In general**

A State that receives a grant under the program shall use not less than 60 percent of the amount received to provide subgrants to units of local government in the State that are not eligible units of local government.

**(B) Deadline**

The State shall provide the subgrants required under subparagraph (A) by not later than 180 days after the date on which the Secretary approves a proposed energy efficiency and conservation strategy of the State under paragraph (3).

**(2) Revision of conservation plan; proposed strategy**

Not later than 120 days after December 19, 2007, each State shall—

(A) modify the State energy conservation plan of the State under section 6322 of this title to establish additional goals for increased energy efficiency and conservation in the State; and

(B) submit to the Secretary a proposed energy efficiency and conservation strategy that—

(i) establishes a process for providing subgrants as required under paragraph (1); and

(ii) includes a plan of the State for the use of funds received under the program to assist the State in achieving the goals established under subparagraph (A), in accordance with sections 17152(b) and 17154 of this title.

**(3) Approval by Secretary**

**(A) In general**

The Secretary shall approve or disapprove a proposed strategy under paragraph (2)(B) by not later than 120 days after the date of submission of the proposed strategy.

**(B) Disapproval**

If the Secretary disapproves a proposed strategy under subparagraph (A)—

(i) the Secretary shall provide to the State the reasons for the disapproval; and

(ii) the State may revise and resubmit the proposed strategy as many times as necessary until the Secretary approves a proposed strategy.

**(C) Requirement**

The Secretary shall not provide to a State any grant under the program until a proposed strategy of the State is approved by the Secretary under this paragraph.

**(4) Limitations on use of funds**

A State may use not more than 10 percent of amounts provided under the program for administrative expenses.

**(5) Annual reports**

Each State that receives a grant under the program shall submit to the Secretary an annual report that describes—

(A) the status of development and implementation of the energy efficiency and conservation strategy of the State during the preceding calendar year;

(B) the status of the subgrant program of the State under paragraph (1);

(C) the energy efficiency gains achieved through the energy efficiency and conservation strategy of the State during the preceding calendar year; and

(D) specific energy efficiency and conservation goals of the State for subsequent calendar years.

(Pub. L. 110–140, title V, §545, Dec. 19, 2007, 121 Stat. 1670.)

REFERENCES IN TEXT

Reorganization Plan Numbered 14 of 1950, referred to in subsec. (a)(2)(A), is set out in the Appendix to Title 5, Government Organization and Employees. Section 903 of Title 5 relates to Presidential authority regarding reorganization plans.

**§ 17156. Competitive grants**

**(a) In general**

Of the total amount made available for each fiscal year to carry out this part, the Secretary shall use not less than 2 percent to provide grants under this section, on a competitive basis, to—

(1) units of local government (including Indian tribes) that are not eligible entities; and

(2) consortia of units of local government described in paragraph (1).

**(b) Applications**

To be eligible to receive a grant under this section, a unit of local government or consortia shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a plan of the unit of local government to carry out an activity described in section 17154 of this title.

**(c) Priority**

In providing grants under this section, the Secretary shall give priority to units of local government—

(1) located in States with populations of less than 2,000,000; or

(2) that plan to carry out projects that would result in significant energy efficiency improvements or reductions in fossil fuel use.

(Pub. L. 110–140, title V, §546, Dec. 19, 2007, 121 Stat. 1673.)

**§ 17157. Review and evaluation**

**(a) In general**

The Secretary may review and evaluate the performance of any eligible entity that receives a grant under the program, including by conducting an audit, as the Secretary determines to be appropriate.

**(b) Withholding of funds**

The Secretary may withhold from an eligible entity any portion of a grant to be provided to the eligible entity under the program if the Secretary determines that the eligible entity has failed to achieve compliance with—