

is the most simplified for tier I projects and more comprehensive for each subsequent tier.

(d) Outreach

The Secretary shall ensure, to the maximum extent practicable, that adequate outreach relating to this section is being conducted at the State and local levels.

(e) Lower-cost activities

(1) Limitation on use of funds

Except as provided in paragraph (2), the Secretary shall use not less than 20 percent of the funds made available under subsection (f) to provide grants of \$20,000 or less.

(2) Exception

Effective beginning on June 30 of each fiscal year, paragraph (1) shall not apply to funds made available under subsection (f) for the fiscal year.

(f) Funding

(1) Mandatory funding

Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to remain available until expended—

- (A) \$55,000,000 for fiscal year 2009;
- (B) \$60,000,000 for fiscal year 2010;
- (C) \$70,000,000 for fiscal year 2011;
- (D) \$70,000,000 for fiscal year 2012; and
- (E) \$50,000,000 for fiscal year 2014 and each fiscal year thereafter.

(2) Audit and technical assistance funding

(A) In general

Subject to subparagraph (B), of the funds made available for each fiscal year under paragraph (1), 4 percent shall be available to carry out subsection (b).

(B) Other use

Funds not obligated under subparagraph (A) by April 1 of each fiscal year to carry out subsection (b) shall become available to carry out subsection (c).

(3) Discretionary funding

In addition to any other funds made available to carry out this section, there is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2019 through 2023.

(Pub. L. 107–171, title IX, § 9007, as added Pub. L. 110–234, title IX, § 9001(a), May 22, 2008, 122 Stat. 1315, and Pub. L. 110–246, § 4(a), title IX, § 9001(a), June 18, 2008, 122 Stat. 1664, 2077; amended Pub. L. 112–240, title VII, § 701(f)(6), Jan. 2, 2013, 126 Stat. 2365; Pub. L. 113–79, title IX, § 9007, Feb. 7, 2014, 128 Stat. 930; Pub. L. 115–334, title IX, § 9007, Dec. 20, 2018, 132 Stat. 4886.)

CODIFICATION

Pub. L. 110–234 and Pub. L. 110–246 enacted identical sections. Pub. L. 110–234 was repealed by section 4(a) of Pub. L. 110–246.

PRIOR PROVISIONS

A prior section 8107, Pub. L. 107–171, title IX, § 9007, May 13, 2002, 116 Stat. 483, related to application of hy-

drogen and fuel cell technologies, prior to the general amendment of this chapter by Pub. L. 110–246.

AMENDMENTS

2018—Subsec. (c)(1). Pub. L. 115–334, § 9007(1)(A), amended par. (1) generally. Prior to amendment, text read as follows: “In addition to any similar authority, the Secretary shall provide loan guarantees and grants to agricultural producers and rural small businesses—

“(A) to purchase renewable energy systems, including systems that may be used to produce and sell electricity; and

“(B) to make energy efficiency improvements.”

Subsec. (c)(3)(D). Pub. L. 115–334, § 9007(1)(B), added subpar. (D).

Subsec. (e). Pub. L. 115–334, § 9007(2), substituted “subsection (f)” for “subsection (g)” in pars. (1) and (2).

Subsec. (f). Pub. L. 115–334, § 9007(3), redesignated subsec. (g) as (f) and struck out former subsec. (f). Prior to amendment, text of subsec. (f) read as follows: “Not later than 4 years after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall submit to Congress a report on the implementation of this section, including the outcomes achieved by projects funded under this section.”

Subsec. (f)(3). Pub. L. 115–334, § 9007(4), substituted “2019 through 2023” for “2014 through 2018”.

Subsec. (g). Pub. L. 115–334, § 9007(3), redesignated subsec. (g) as (f).

2014—Subsec. (b)(2)(D), (E). Pub. L. 113–79, § 9007(a)(1), added subpar. (D) and redesignated former subpar. (D) as (E).

Subsec. (c)(3), (4). Pub. L. 113–79, § 9007(a)(2), added par. (4), redesignated former par. (4) as (3), and struck out former par. (3) which related to grants to agricultural producers or rural small businesses to conduct feasibility studies.

Subsec. (g)(1)(E). Pub. L. 113–79, § 9007(b)(1), added subpar. (E).

Subsec. (g)(3). Pub. L. 113–79, § 9007(b)(2), substituted “\$20,000,000 for each of fiscal years 2014 through 2018” for “\$25,000,000 for each of fiscal years 2009 through 2013”.

2013—Subsec. (g)(3). Pub. L. 112–240 substituted “2013” for “2012”.

EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by Pub. L. 112–240 effective Sept. 30, 2012, see section 701(j) of Pub. L. 112–240, set out in a 1-Year Extension of Agricultural Programs note under section 8701 of this title.

EFFECTIVE DATE

Enactment of this section and repeal of Pub. L. 110–234 by Pub. L. 110–246 effective May 22, 2008, the date of enactment of Pub. L. 110–234, see section 4 of Pub. L. 110–246, set out as a note under section 8701 of this title.

§ 8107a. Rural energy savings program

(a) Purpose

The purpose of this section is to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures.

(b) Definitions

In this section:

(1) Eligible entity

The term “eligible entity” means—

- (A) any public power district, public utility district, or similar entity, or any electric cooperative described in section 501(c)(12) or 1381(a)(2) of title 26, that borrowed and repaid, prepaid, or is paying an electric loan

made or guaranteed by the Rural Utilities Service (or any predecessor agency);

(B) any entity primarily owned or controlled by 1 or more entities described in subparagraph (A); or

(C) any other entity that is an eligible borrower of the Rural Utilities Service, as determined under section 1710.101 of title 7, Code of Federal Regulations (or a successor regulation).

(2) Energy efficiency measures

The term “energy efficiency measures” means, for or at property served by an eligible entity, structural improvements and investments in cost-effective, commercial technologies to increase energy efficiency (including cost-effective on- or off-grid renewable energy or energy storage systems).

(3) Qualified consumer

The term “qualified consumer” means a consumer served by an eligible entity that has the ability to repay a loan made under subsection (d), as determined by the eligible entity.

(4) Secretary

The term “Secretary” means the Secretary of Agriculture, acting through the Administrator of the Rural Utilities Service.

(c) Loans to eligible entities

(1) In general

Subject to paragraph (2), the Secretary shall make loans to eligible entities that agree to use the loan funds to make loans to qualified consumers for the purpose of implementing energy efficiency measures.

(2) Requirements

(A) In general

As a condition of receiving a loan under this subsection, an eligible entity shall—

(i) establish a list of energy efficiency measures that is expected to decrease energy use or costs of qualified consumers;

(ii) prepare an implementation plan for use of the loan funds, including use of any interest to be received pursuant to subsection (d)(1)(A);

(iii) provide for appropriate measurement and verification to ensure—

(I) the effectiveness of the energy efficiency loans made by the eligible entity; and

(II) that there is no conflict of interest in carrying out this section; and

(iv) demonstrate expertise in effective use of energy efficiency measures at an appropriate scale.

(B) Revision of list of energy efficiency measures

Subject to the approval of the Secretary, an eligible entity may update the list required under subparagraph (A)(i) to account for newly available efficiency technologies.

(C) Existing energy efficiency programs

An eligible entity that, at any time before the date that is 60 days after February 7, 2014, has established an energy efficiency

program for qualified consumers may use an existing list of energy efficiency measures, implementation plan, or measurement and verification system of that program to satisfy the requirements of subparagraph (A) if the Secretary determines the list, plan, or systems are consistent with the purposes of this section.

(3) No interest

A loan under this subsection shall bear no interest.

(4) Eligibility for other loans

The Secretary shall not include any debt incurred by a borrower under this section in the calculation of the debt-equity ratio of the borrower for purposes of eligibility for loans under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

(5) Repayment

With respect to a loan under paragraph (1)—

(A) the term shall not exceed 20 years from the date on which the loan is closed; and

(B) except as provided in paragraph (7), the repayment of each advance shall be amortized for a period not to exceed 10 years.

(6) Amount of advances

Any advance of loan funds to an eligible entity in any single year shall not exceed 50 percent of the approved loan amount.

(7) Special advance for start-up activities

(A) In general

In order to assist an eligible entity in defraying the appropriate start-up costs (as determined by the Secretary) of establishing new programs or modifying existing programs to carry out subsection (d), the Secretary shall allow an eligible entity to request a special advance.

(B) Amount

No eligible entity may receive a special advance under this paragraph for an amount that is greater than 4 percent of the loan amount received by the eligible entity under paragraph (1).

(C) Repayment

Repayment of the special advance—

(i) shall be required during the 10-year period beginning on the date on which the special advance is made; and

(ii) at the election of the eligible entity, may be deferred to the end of the 10-year period.

(8) Limitation

All special advances shall be made under a loan described in paragraph (1) during the first 10 years of the term of the loan.

(9) Accounting

The Secretary shall take appropriate steps to streamline the accounting requirements on borrowers under this section while maintaining adequate assurances of the repayment of the loans.

(d) Loans to qualified consumers

(1) Terms of loans

Loans made by an eligible entity to qualified consumers using loan funds provided by the Secretary under subsection (c)—

(A) may bear interest, not to exceed 5 percent, to be used for purposes that include—

- (i) to establish a loan loss reserve; and
- (ii) to offset personnel and program costs of eligible entities to provide the loans;

(B) shall finance energy efficiency measures for the purpose of decreasing energy usage or costs of the qualified consumer by an amount that ensures, to the maximum extent practicable, that a loan term of not more than 10 years will not pose an undue financial burden on the qualified consumer, as determined by the eligible entity;

(C) shall not be used to fund purchases of, or modifications to, personal property unless the personal property is or becomes attached to real property (including a manufactured home) as a fixture;

(D) shall be repaid through charges added to the recurring service bill for the property for, or at which, energy efficiency measures are or will be implemented, on the condition that this requirement does not prohibit—

- (i) the voluntary prepayment of a loan by the owner of the property; or
- (ii) the use of any additional repayment mechanisms that are—

(I) demonstrated to have appropriate risk mitigation features, as determined by the eligible entity; or

(II) required if the qualified consumer is no longer a customer of the eligible entity; and

(E) shall require an energy audit by an eligible entity to determine the impact of proposed energy efficiency measures on the energy costs and consumption of the qualified consumer.

(2) Contractors

In addition to any other qualified general contractor, eligible entities may serve as general contractors.

(e) Contract for measurement and verification, training, and technical assistance

(1) In general

Not later than 90 days after February 7, 2014, the Secretary—

(A) shall establish a plan for measurement and verification, training, and technical assistance of the program; and

(B) may enter into 1 or more contracts with a qualified entity for the purposes of—

- (i) providing measurement and verification activities; and
- (ii) developing a program to provide technical assistance and training to the employees of eligible entities to carry out this section.

(2) Use of subcontractors authorized

A qualified entity that enters into a contract under paragraph (1) may use subcontractors to assist the qualified entity in carrying out the contract.

(f) Additional authority

The authority provided in this section is in addition to any other authority of the Secretary to offer loans under any other law.

(g) Effective period

Subject to the availability of funds and except as otherwise provided in this section, the loans and other expenditures required to be made under this section shall be available until expended, with the Secretary authorized to make new loans as loans are repaid.

(h) Publication

Not later than 120 days after the end of each fiscal year, the Secretary shall publish a description of—

- (1) the number of applications received under this section for that fiscal year;
- (2) the number of loans made to eligible entities under this section for that fiscal year; and
- (3) the recipients of the loans described in paragraph (2).

(i) Authorization of appropriations

There is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2014 through 2023.

(Pub. L. 107-171, title VI, § 6407, as added Pub. L. 113-79, title VI, § 6205, Feb. 7, 2014, 128 Stat. 857; amended Pub. L. 115-334, title VI, § 6303, Dec. 20, 2018, 132 Stat. 4749.)

REFERENCES IN TEXT

The Rural Electrification Act of 1936, referred to in subsec. (c)(4), is act May 20, 1936, ch. 432, 49 Stat. 1363, which is classified generally to chapter 31 (§901 et seq.) of this title. For complete classification of this Act to the Code, see section 901 of this title and Tables.

CODIFICATION

Section was not enacted as part of title IX of Pub. L. 107-171, which comprises this chapter.

AMENDMENTS

2018—Subsec. (b)(2). Pub. L. 115-334, § 6303(1), substituted “efficiency (including cost-effective on- or off-grid renewable energy or energy storage systems).” for “efficiency.”

Subsec. (c)(4). Pub. L. 115-334, § 6303(2)(B), added par. (4). Former par. (4) redesignated (5).

Subsec. (c)(5). Pub. L. 115-334, § 6303(2)(A), redesignated par. (4) as (5). Former par. (5) redesignated (6).

Subsec. (c)(5)(B). Pub. L. 115-334, § 6303(2)(C), substituted “(7)” for “(6)”.

Subsec. (c)(6) to (8). Pub. L. 115-334, § 6303(2)(A), redesignated pars. (5) to (7) as (6) to (8), respectively.

Subsec. (c)(9). Pub. L. 115-334, § 6303(2)(D), added par. (9).

Subsec. (d)(1)(A). Pub. L. 115-334, § 6303(3)(A), substituted “5 percent” for “3 percent” in introductory provisions.

Subsec. (d)(1)(D). Pub. L. 115-334, § 6303(3)(B), substituted “recurring service” for “electric” in introductory provisions.

Subsec. (h). Pub. L. 115-334, § 6303(5), added subsec. (h). Former subsec. (h) redesignated (i).

Subsec. (i). Pub. L. 115-334, § 6303(4), (6), redesignated subsec. (h) as (i) and substituted “2023” for “2018”.

§ 8108. Biomass research and development

(a) Definitions

In this section:

(1) Biobased product

The term “biobased product” means—

- (A) an industrial product (including chemicals, materials, and polymers) produced from biomass;