

[By Lauren Gardner](#)

Two House members are proposing a federal rebate program for homeowners who make energy-efficiency upgrades, but the measure could face strong opposition from fiscally conservative lawmakers over its price tag.

The bill, unveiled Wednesday by Reps. David B. McKinley, R-W.Va., and Peter Welch, D-Vt., would create a system that would allow homeowners to apply for rebates, based in the levels of efficiency that retrofits would achieve. Homeowners could receive \$2,000 for a minimum 20 percent reduction in home energy use, with \$1,000 increases for every 5 percent boost in efficiency. The program would cap the benefit at \$8,000 for consumers who halve their home power consumption.

The legislation is modeled after a similar program, known as "Home Star," that the House passed in 2010 with minimal Republican support. That program, never passed by the Senate, would have cost \$6 billion over two years.

The newly proposed rebate program would cost \$2 billion over four years and would be set up as a credit program rather than follow a point-of-sale rebate structure that the 2010 legislation would have established. Under this system, homeowners and contractors would file rebate applications that would be processed by the Energy Department and the Treasury.

Welch said they thought the structural change would help garner more support for the bill. "It's part of the budget politics," he said.

The proposed program has attracted support from business and environmental groups for being technology-neutral and for using performance incentives to encourage consumers to make energy-saving upgrades. Supporters also say that the program could provide a boost for the domestic manufacturing sector.

The Obama administration has made energy efficiency a priority, proposing increased funding for Energy Department efficiency programs and including a \$25 billion public school modernization effort in the president's jobs plan, as outlined in September.

Home-efficiency proposals also have been floated in the Senate. Maine Republican Olympia J. Snowe introduced a bill (S 1914) to create a performance-based tax credit for home-efficiency upgrades, while Sens. Michael Bennet, D-Colo., and Johnny Isakson, R-Ga., collaborated on legislation (S 1737) to require federal mortgage lenders to take into account expected energy costs when weighing a mortgage applicant's ability to make monthly payments.

Welch said that he and McKinley are committed to seeing the bill through the legislative process rather than letting it become a messaging tool.

"We have our challenges that are mainly political as opposed to practical," he said in describing conversations with Republican and Democratic leaders.

McKinley expressed optimism that the legislation could overcome any political stumbling blocks because of its bipartisan support. He also cited his engineering and construction-industry experience as working in their favor.

Welch pointed to the narrow focus of the small-business start-up legislation (HR 3606) that drew an endorsement from President Obama and passed the House with overwhelming support.

"We've got budget issues that are always a challenge, but we've got a design that makes sense," Welch said.

McKinley, who sits on the Energy and Commerce Committee, said that he has "reason to be favorably hopeful, cautiously hopeful" that panel leaders will agree to hold a hearing on the legislation.

"We're having very good discussions," he said.