

# **MEMORANDUM OF UNDERSTANDING**

**Between the**

**U.S. ENVIRONMENTAL PROTECTION AGENCY**

**And the**

**U.S. DEPARTMENT OF ENERGY**

**And the**

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

## **I. Purpose**

The purpose of this Memorandum of Understanding (MOU) is to establish a general working agreement among the U.S. Environmental Protection Agency (EPA), the U.S. Department of Housing and Urban Development (HUD), and the U.S. Department of Energy (DOE) to coordinate policies and activities aimed at improving the energy efficiency of HUD's inventory of public, assisted, and insured housing, as well as housing financed through HUD's formula or competitive grant programs. This MOU is intended to support the President's National Energy Policy, announced in May 2001, with specific reference to those recommendations related to the increased use of Energy Star-labeled products in housing.

This MOU represents a non-binding expression of intent for HUD, EPA, and DOE to work together, each within its own policies, to further the goals of the President's National Energy Policy by supporting the construction of Energy Star-labeled homes and the purchase of Energy Star-labeled products in HUD-assisted, insured, or financed homes ("HUD-financed housing") when determined to be cost effective.

## **II. Background**

Energy Star was introduced by the EPA in 1992 as a voluntary labeling program designed to identify and promote energy-efficient products, in order to reduce carbon dioxide emissions. EPA partnered with the U.S. Department of Energy in 1996 to promote the Energy Star label, with each agency taking responsibility for particular product categories. It has become the widely-recognized government-backed symbol for energy efficiency. It identifies new homes, buildings, and over 30 types of products that are energy efficient. Energy Star has also expanded to cover improvements that make existing homes more energy efficient.

Each year, HUD assists approximately five million renters and homeowners—almost five percent of all households in the Nation—through its various programs. The Department spends as much as \$4 billion each year on energy, through utility allowances to renters, housing assistance (HAP) payments to private building owners, and operating grants to public housing authorities. In public housing alone, HUD spends approximately \$1 billion each year, a third of its total operating fund, on energy and water. Increasing the energy efficiency in this housing stock could yield significant cost savings to the Federal Government, to property owners, and to building residents.

In accordance with the President's National Energy Policy, this MOU identifies areas where EPA, DOE, and HUD will coordinate resources and approaches to expand the use of Energy Star-labeled products in HUD-financed housing, or expand the number of Energy Star-labeled new homes financed by HUD, and generally promote energy efficiency improvements in both new and existing HUD-financed housing.

### **III. Agreement**

EPA, DOE, and HUD agree to work together to address the obstacles and opportunities for building Energy Star-labeled new homes, improving the energy efficiency of existing homes, and purchasing Energy Star-labeled products through HUD's programs. This may include, to the extent authorized by law:

- A. Developing Energy Star informational and promotional materials, which can be distributed to field staff, public housing authorities, and formula and competitive grant recipients, as well as to property owners and managers of privately-owned assisted housing. The materials may also be provided to FHA home buyers or buyers of FHA-foreclosed homes, when appropriate or where feasible. These materials will help educate home buyers and homeowners on the benefits of purchasing Energy Star products or building energy-efficient new homes.
- B. Developing and implementing strategies that assist public housing authorities and assisted housing owners to purchase Energy Star-labeled products when this results in savings sufficient to repay initial higher costs over the expected life of the products, when the products are cost effective to maintain, when they promote public health, and when such purchases do not hinder the housing authorities' ability to address emergency, accessibility, or lead paint mitigation measures.
- C. Implementing strategies to achieve an Energy Star rating in new housing financed through HUD's HOPE VI program, unless a sponsoring housing authority demonstrates the higher standard cannot be achieved within Total Development Cost limits. These homes will be independently rated by certified raters or another agreed upon system to ensure the value of the Energy Star label is maintained. Use of the Energy Star label will promote energy efficiency as a desirable option for providing affordable housing, protecting the environment, and saving on energy bills.
- D. Promoting the use of Web-based screening tools for home owners, including the Home Energy Yard Stick that allows homeowners to see how their homes compare

in energy use to other similar households, and the Home Energy Adviser, which provides homeowners with the top five most cost-effective improvements that could be undertaken to reduce home energy use.

- E. Building and maintaining Energy Star as a trustworthy government symbol for energy efficiency for homes, products, and services by adhering to the Energy Star Logo Use Guidelines.
- F. Providing training and support to EPA, DOE, and HUD staff on relevant issues pertaining to policy development, technical updates, program strategies, and cooperative implementation efforts.
- G. Identifying, developing, and implementing additional actions, to the extent determined feasible by the relevant agencies, that link energy efficiency with developing affordable, healthy housing through Energy Star. These actions may include:
  - support for States, political subdivisions of States, Indian tribes, local development districts, and nonprofit organizations to integrate energy efficiency into the development of affordable housing;
  - coordination of agency activities in order to help implement the development of affordable, energy-efficient, healthy housing;
  - collaboration on pilot projects and, when successful, on regional and national expansion of those projects, using partnerships among DOE, EPA, HUD, and local organizations to develop energy-efficient, healthy housing that meets local needs and Energy Star and HUD objectives.

#### **IV. Programming, Budgeting, Funding, and Reimbursement Arrangements**

- A. This MOU is neither a fiscal nor a funds obligation document. Any endeavor involving reimbursement or contribution of funds among or between parties to this MOU will be handled in accordance with applicable laws, regulations, and procedures, and will be subject to separate agreements hereunder that shall be effected in writing by representatives of the parties.
- B. This MOU in no way restricts EPA, DOE, or HUD from participating in similar activities or arrangements with other entities or Federal agencies.
- C. Nothing in this MOU shall obligate EPA, DOE, or HUD to expend appropriations or to enter into any contract or other obligations.
- D. Should EPA, DOE, and/or HUD decide to collaborate on a specific project or projects, one agency will be selected to serve as the lead agency. The lead agency will be responsible for all grant management, financial, and accounting services involved in awarding funds to a recipient. The other agency or agencies will be responsible for transferring their share of funds to support the project to the lead

agency and any other duties as may be specified in separate Interagency Agreements under this MOU.

- E. Projects funded pursuant to this MOU shall be determined annually on a case-by-case basis in accordance with this agreement and as put forth in specific Interagency Agreements hereunder. Any awards shall be made pursuant to the agencies' governing authorities and will be administered in accordance with applicable laws, regulations, and procedures.

## **V. Authorities**

This MOU is entered into consistent with the following authorities:

### EPA:

- Sections 102, 103, 104, 108 of the Clean Air Act, 42 U.S.C. 7401 et seq.
- Sections 6602, 6603, 6604, 6605 of the Pollution Prevention Act of 1990, 42 U.S.C. 13101 et seq.
- Section 1103 of the Global Climate Protection Act of 1987, 15 U.S.C. 2901

### DOE:

- DOE Authorization Act of 1977
- Section 127 of the Energy Policy Act of 1992

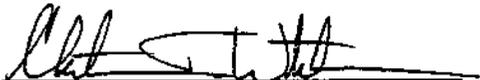
### HUD:

- National Housing Act, 12 U.S.C. 1701 et seq.
- United States Housing Act of 1937, 42 U.S.C. 1437 et seq.
- Section 105, Title I, of the Housing and Community Development Act of 1974, 42 U.S.C. 5305
- Section 109 and 945 of the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. 12709 and 12712
- Section 513 of the Housing and Community Development Act of 1992, and Section 106 of the Energy Policy Act of 1992, 42 U.S.C. 12712 note

**VI. Effective Date**

This MOU will become effective upon signature by the Administrator of the U.S. Environmental Protection Agency, by the Secretary of the U.S. Department for Housing and Urban Development, and by the U.S. Secretary of the Department of Energy (or their designees) and shall remain in effect until termination by any of the Parties. Any of the Parties may terminate this MOU upon 90 days written notice to the other parties. Its provisions will be reviewed annually and amended or supplemented as may be mutually agreed upon in writing.

Signed:



Christine Todd Whitman  
Administrator  
U.S. Environmental Protection  
Agency



Mel Martinez  
Secretary  
U.S. Department for Housing and  
Urban Development

9.17.02

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(Date)

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(Date)

 FOR

Spencer Abraham or Designee  
Secretary  
U.S. Department of Energy

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(Date)